



**Iowa General Assembly**  
**Daily Bills, Amendments and Study Bills**  
**March 19, 2013**

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Iowa General Assembly  
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March 19, 2013

Senate File 202

H-1177

- 1 Amend Senate File 202, as passed by the Senate, as  
2 follows:  
3 1. Page 2, by striking line 7 and inserting:  
4 <Sec. \_\_\_\_\_. Section 126.25, Code 2013, is amended by  
5 striking the section and inserting in lieu thereof the  
6 following:  
7 **126.25 Human immunodeficiency virus home testing**  
8 **kits — sales restrictions — penalties.**  
9 1. A home testing kit for human immunodeficiency  
10 virus antibody or antigen testing shall not be sold in  
11 this state unless the sale complies with all of the  
12 following requirements:  
13 a. The home testing kit is sold by a licensed  
14 pharmacy, and a pharmacist or pharmacy technician as  
15 defined in section 155A.3 provides for the sale of the  
16 home testing kit from a locked cabinet or from behind a  
17 sales counter which is not accessible to the public.  
18 b. A pharmacist or pharmacy technician consults  
19 with the consumer prior to the sale and the  
20 consultation includes informing the consumer of the  
21 need to seek in-person follow-up with a health care  
22 provider to obtain confirmation of and additional  
23 information regarding any test results.  
24 2. The Iowa department of public health, in  
25 consultation with the board, shall adopt rules to  
26 establish what constitutes a home testing kit for the  
27 purposes of this section.  
28 3. The board may seek injunctive relief pursuant to  
29 section 126.4 restraining any person from violating the  
30 provisions of this section. In addition, a pharmacy,  
31 pharmacist, or pharmacy technician who violates this  
32 section is subject to discipline pursuant to section  
33 155A.12 or 155A.15, as applicable.>  
34 2. Title page, line 2, after <health> by inserting  
35 <and providing penalties>  
36 3. By renumbering as necessary.

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LUNDBY of Linn

SF202.1025 (1) 85

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pf/nh

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Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

House File 603

H-1178

1 Amend House File 603 as follows:

2 1. Page 14, after line 16 by inserting:

3 <As a condition of receiving the appropriation in  
4 this subsection, the secretary of state is prohibited  
5 from using and reimbursing the costs associated with an  
6 agent of the division of criminal investigation of the  
7 department of public safety conducting certain voter  
8 investigations.

9 As a condition of receiving the appropriation  
10 in this subsection, the secretary of state is also  
11 prohibited from taking or requiring any action relative  
12 to a group of voters from a list or based upon the  
13 ethnicity of the group of voters if that action is  
14 not otherwise taken or required of the electorate as  
15 a whole.>

16 2. Page 32, after line 32 by inserting:

17 <As a condition of receiving the appropriation in  
18 this subsection, the secretary of state is prohibited  
19 from using and reimbursing the costs associated with an  
20 agent of the division of criminal investigation of the  
21 department of public safety conducting certain voter  
22 investigations.

23 As a condition of receiving the appropriation  
24 in this subsection, the secretary of state is also  
25 prohibited from taking or requiring any action relative  
26 to a group of voters from a list or based upon the  
27 ethnicity of the group of voters if that action is  
28 not otherwise taken or required of the electorate as  
29 a whole.>

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HUNTER of Polk

HF603.1038 (2) 85

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ec/tm

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Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

House File 603

H-1179

1 Amend the amendment, H-1173, to House File 603 as  
2 follows:  
3 1. Page 1, after line 8 by inserting:  
4 <As a condition of receiving the appropriation  
5 in this subsection, the secretary of state is also  
6 prohibited from taking or requiring any action relative  
7 to a group of voters from a list or based upon the  
8 ethnicity of the group of voters if that action is  
9 not otherwise taken or required of the electorate as  
10 a whole.>  
11 2. Page 1, after line 15 by inserting:  
12 <As a condition of receiving the appropriation  
13 in this subsection, the secretary of state is also  
14 prohibited from taking or requiring any action relative  
15 to a group of voters from a list or based upon the  
16 ethnicity of the group of voters if that action is  
17 not otherwise taken or required of the electorate as  
18 a whole.>

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HUNTER of Polk



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

House File 565

H-1180

- 1 Amend House File 565 as follows:  
2 1. Page 2, by striking lines 8 through 17 and  
3 inserting:  
4 <2. If a general contractor or owner-builder  
5 fails to post the required notice of commencement  
6 of work to the mechanics' notice and lien registry  
7 internet website pursuant to subsection 1, within ten  
8 days of commencement of the work on the property, a  
9 subcontractor may post the notice in conjunction with  
10 the ~~filing~~ posting of the required preliminary notice  
11 pursuant to section 572.13B. A notice of commencement  
12 of work must be posted to the mechanics' notice and  
13 lien registry internet website before preliminary  
14 notices pursuant to section 572.13B may be posted.>  
15 2. By renumbering as necessary.

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BALTIMORE of Boone



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

House File 532

H-1181

1 Amend the amendment, H-1084, to House File 532 as  
2 follows:  
3 1. Page 1, by striking lines 4 and 5 and inserting:  
4 <\_\_. Page 1, by striking line 28 and inserting  
5 <as defined in section 801.4, subsection 11, paragraph  
6 "a", "b", or "c"; and meet the>  
7 \_\_\_\_\_. Page 1, line 29, after <3A> by inserting <;  
8 and be certified by the department. To be certified  
9 by the department, a person who seeks to qualify as  
10 a classroom driver education instructor under this  
11 subparagraph division (b) shall annually attend not  
12 less than eight hours of instruction relating to the  
13 classroom instruction provided to students pursuant  
14 to subsection 1, paragraph "a". The eight hours of  
15 instruction for certification shall be provided by the  
16 department. A person who seeks certification under  
17 this subparagraph division (b) shall be assessed a fee  
18 by the department to cover the costs of the eight hours  
19 of instruction>>

\_\_\_\_\_  
HANSON of Jefferson

H1084.1041 (1) 85

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Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

House File 485

H-1182

- 1 Amend House File 485 as follows:  
2 1. Page 1, after line 8 by inserting:  
3 <Sec. \_\_\_\_\_. Section 47.1, Code 2013, is amended by  
4 adding the following new subsection:  
5 NEW SUBSECTION. 6. The state commissioner of  
6 elections shall develop educational materials related  
7 to the proof of identification requirements established  
8 pursuant to section 49.77, subsection 3, paragraph  
9 "a", and shall mail such materials to each registered  
10 voter in the state before January 1, 2015. On or after  
11 January 1, 2015, the state commissioner of elections  
12 shall mail such materials to each person who registers  
13 to vote pursuant to chapter 48A immediately following  
14 the person's registration.>  
15 2. Title page, line 2, after <vote,> by inserting  
16 <requiring certain educational information be mailed to  
17 registered voters,>  
18 3. By renumbering as necessary.

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HUNTER of Polk





Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

House File 550

H-1183

1 Amend House File 550 as follows:

2 1. Page 3, by striking lines 21 and 22 and  
3 inserting <conjunction with the departments of  
4 administrative services, human services, public health,  
5 and public safety, shall study the potential for  
6 applying new>

7 2. Page 3, after line 32 by inserting:

8 <Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This Act,  
9 being deemed of immediate importance, takes effect upon  
10 enactment.

11 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. This Act  
12 applies retroactively to persons for whom a record  
13 check was requested not more than sixty calendar days  
14 prior to the effective date of this Act.>

15 3. Title page, line 2, after <students> by  
16 inserting <and including effective date and  
17 applicability provisions>

18 4. By renumbering as necessary.

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HEATON of Henry

HF550.1047 (1) 85  
(amending this HF  
550 to CONFORM to  
SF 347)

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jpr/nh

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Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
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House File 593

H-1184

- 1 Amend House File 593 as follows:  
2 1. Page 1, before line 1 by inserting:  
3 <Section 1. Section 256.16, subsection 1, Code  
4 2013, is amended by adding the following new paragraph:  
5 NEW PARAGRAPH. *d.* Beginning July 1, 2014, require  
6 a student to successfully complete training on how  
7 to prevent, recognize, address, and stop incidents  
8 of harassment or bullying before graduation from the  
9 practitioner preparation program and provide a student  
10 with information on the effects of harassment and  
11 bullying. For purposes of this paragraph, "*harassment*"  
12 and "*bullying*" mean the same as defined in section  
13 280.28, subsection 2.>  
14 2. By renumbering as necessary.

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HUNTER of Polk

HF593.1068 (1) 85

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Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

House File 604

H-1185

1 Amend House File 604 as follows:

2 1. Page 11, after line 13 by inserting:

3 <Sec. \_\_\_\_\_. ONLINE CURRICULUM FOR UNIFORM TRANSFER  
4 OF ACADEMIC CREDIT — STUDY AND REPORT.

5 1. The department of education shall conduct  
6 a study regarding the establishment of an online  
7 curriculum to facilitate the transfer of academic  
8 credits earned by students residing in child foster  
9 care facilities licensed under section 237.4, and in  
10 institutions controlled by the department of human  
11 services and listed in section 218.1, between those  
12 facilities and institutions and public and accredited  
13 nonpublic schools. The goal of the curriculum shall  
14 be to minimize wherever possible the loss of academic  
15 credit for coursework completed by such students.

16 2. The department shall consider contracting with a  
17 private provider to administer the curriculum through  
18 a request for bids or proposals, but shall prioritize  
19 the use of existing resources such as the Iowa learning  
20 online initiative established under section 256.42, and  
21 the online learning program model established under  
22 section 256.43, for such administration.

23 3. Instruction provided through the online  
24 curriculum shall be taught by teachers licensed under  
25 chapter 272. All courses in the online curriculum  
26 shall meet existing accreditation standards.

27 4. The department shall submit a report of its  
28 findings and recommendations to the general assembly  
29 by January 3, 2014.>

30 2. By renumbering as necessary.

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HALL of Woodbury

HF604.1066 (1) 85

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Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

House File 604

H-1186

- 1 Amend House File 604 as follows:  
2 1. Page 10, after line 6 by inserting:  
3 <\_\_\_. EDUCATION REFORM  
4 For distribution to school districts for  
5 implementation of the education reform provisions of  
6 section 279.68, subsection 2, enacted pursuant to 2012  
7 Iowa Acts, chapter 1119, section 34:  
8 ..... \$ 12,000,000>  
9 2. Page 28, after line 21 by inserting:  
10 <\_\_\_. EDUCATION REFORM  
11 For distribution to school districts for  
12 implementation of section 279.68, subsection 2, enacted  
13 pursuant to 2012 Iowa Acts, chapter 1119, section 34:  
14 ..... \$ 12,000,000>  
15 3. By renumbering as necessary.

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STECKMAN of Cerro Gordo

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WINCKLER of Scott



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

House File 603

H-1187

1 Amend House File 603 as follows:

2 1. Page 1, by striking lines 20 and 21 and  
3 inserting <but shall be transferred for deposit into  
4 the Iowa energy bank revolving loan fund.>

5 2. Page 20, by striking lines 5 and 6 and inserting  
6 <but shall be transferred for deposit into the Iowa  
7 energy bank revolving loan fund.>

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ISENHART of Dubuque



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
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House File 604

H-1188

1 Amend House File 604 as follows:  
2 1. Page 17, after line 30 by inserting:  
3 <Sec. \_\_\_\_\_. Section 261.113, subsection 5, paragraph  
4 a, Code 2013, is amended to read as follows:  
5 a. The amount of loan repayment an eligible student  
6 who enters into an agreement pursuant to subsection  
7 3 shall receive ~~upon fulfilling the requirements~~  
8 ~~of subsection 3~~ if in compliance with obligations  
9 under the agreement shall be not more than exceed  
10 fifty thousand dollars annually for an eligible loan.  
11 Payments under this section ~~are limited to~~ may be made  
12 for each year of eligible practice during a ~~four-year~~  
13 ~~consecutive five-year~~ period and shall not exceed a  
14 total of two hundred thousand dollars.  
15 Sec. \_\_\_\_\_. Section 261.113, subsection 9, Code 2013,  
16 is amended by adding the following new paragraph:  
17 NEW PARAGRAPH. d. If a loan repayment recipient  
18 fails to fulfill the obligation to engage in practice  
19 in accordance with subsection 3, the recipient shall  
20 be subject to repayment to the commission of the loan  
21 amount plus interest as specified by rule. A loan  
22 repayment recipient who fails to meet the requirements  
23 of the obligation to engage in practice in accordance  
24 with subsection 3 may also be subject to repayment  
25 of moneys advanced by the service commitment area as  
26 provided in any agreement with the service commitment  
27 area.>  
28 2. By renumbering as necessary.

DOLECHECK of Ringgold

HF604.1077 (2) 85

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Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
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House File 604

H-1189

1 Amend House File 604 as follows:

2 1. Page 17, after line 16 by inserting:

3 <Sec. \_\_\_\_\_. FEDERAL BUDGET CONTROL ACT OF 2011  
4 REDUCTIONS — APPROPRIATION.

5 1. There is appropriated from the general fund  
6 of the state to the department for the blind, the  
7 college student aid commission, the department of  
8 education, and the state board of regents, and the  
9 institutions, divisions, programs, initiatives, and  
10 purposes for which they administer or govern and  
11 receive appropriations in this division of this Act,  
12 for the fiscal year beginning July 1, 2012, and ending  
13 June 30, 2013, an amount sufficient to restore federal  
14 funding reductions made pursuant to the federal Budget  
15 Control Act of 2011, to be used for the purposes for  
16 which the federal funds were designated.

17 2. Notwithstanding section 8.33, moneys  
18 appropriated in this section that remain unencumbered  
19 or unobligated at the close of the fiscal year shall  
20 not revert but shall remain available for expenditure  
21 for the purposes designated until the close of the  
22 succeeding fiscal year.>

23 2. Page 19, after line 12 by inserting:

24 <Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. The following  
25 provision or provisions of this division of this Act,  
26 being deemed of immediate importance, take effect upon  
27 enactment:

28 1. The section of this Act relating to the federal  
29 Budget Control Act of 2011 reductions.>

30 3. Title page, line 5, after <matters> by inserting  
31 <and for effective dates>

32 4. By renumbering as necessary.

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WINCKLER of Scott

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ABDUL-SAMAD of Polk

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DAWSON of Woodbury

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GAINES of Polk

HF604.1064 (2) 85

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kh/jp

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Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

GASKILL of Wapello

HEDDENS of Story

HUNTER of Polk

ISENHART of Dubuque

JACOBY of Johnson

KEARNS of Lee

LENSING of Johnson

MASCHER of Johnson

OLDSON of Polk

STECKMAN of Cerro Gordo

T. TAYLOR of Linn

THEDE of Scott





Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
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House File 604

H-1190

1 Amend House File 604 as follows:

2 1. Page 1, line 28, by striking <232,943> and  
3 inserting <10,232,943>  
4 2. Page 1, after line 29 by inserting:  
5 <From the moneys appropriation in this subsection,  
6 \$10,000,000 shall be distributed to eligible students  
7 enrolled as undergraduates in institutions of higher  
8 learning governed by the state board of regents. For  
9 purposes of this section, "eligible student" means a  
10 resident student who has established financial need.  
11 The commission shall collaborate with the state board  
12 of regents in distributing funds pursuant to this  
13 subsection. The commission, in collaboration with the  
14 state board of regents, shall submit by January 15,  
15 2014, a report to the general assembly which provides  
16 the number of individuals who received assistance under  
17 this subsection, the amount of assistance provided to  
18 those individuals, and the institutions from which the  
19 individuals graduated. The report shall include the  
20 commission's findings and recommendations.>

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HANSON of Jefferson

---

STUTSMAN of Johnson

---

MASCHER of Johnson

---

HEDDENS of Story

---

JACOBY of Johnson

---

LENSING of Johnson

---

WINCKLER of Scott



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
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WESSEL-KROESCHELL of Story

WOOD of Scott

BERRY of Black Hawk

STECKMAN of Cerro Gordo

KAJTAZOVIC of Black Hawk

KRESSIG of Black Hawk



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

House File 356

H-1191

1 Amend House File 356 as follows:

2 1. By striking everything after the enacting clause  
3 and inserting:

4 <Section 1. Section 614.1, subsection 5, Code 2013,  
5 is amended to read as follows:

6 5. *Written contracts — judgments of courts not of  
7 record — recovery of real property and rent.*

8 *a. Those Except as provided in paragraph "b", those*  
9 *founded on written contracts, or on judgments of any*  
10 *courts except those provided for in subsection 6, and*  
11 *those brought for the recovery of real property, within*  
12 *ten years.*

13 *b. Those founded on claims for rent, within five*  
14 *years.*

15 Sec. 2. Section 615.1, subsection 1, Code 2013, is  
16 amended to read as follows:

17 1. After the expiration of a period of two years  
18 from the date of entry of judgment, exclusive of any  
19 time during which execution on the judgment was stayed  
20 pending a bankruptcy action or order of court, a  
21 judgment entered in any of the following actions shall  
22 be null and void, all liens shall be extinguished, and  
23 no execution shall be issued except as a setoff or  
24 counterclaim:

25 *a. {1} For a real estate mortgage, deed of trust,*  
26 *or real estate contract executed prior to July 1,*  
27 *2009, an action for the foreclosure of the real estate*  
28 *mortgage, deed of trust, or real estate contract upon*  
29 *property which at the time the foreclosure is commenced*  
30 *is either used for an agricultural purpose as defined*  
31 *in section 535.13 or as a one-family or two-family*  
32 *dwelling which is the residence of the mortgagor.*

33 *{2} b. For a real estate mortgage, deed of trust,*  
34 *or real estate contract executed on or after July 1,*  
35 *2009, an action for the foreclosure of the real estate*  
36 *mortgage, deed of trust, or real estate contract upon*  
37 *property which at the time of the execution of the*  
38 *mortgage, deed, or contract is either used for, or is*  
39 *being acquired for, an agricultural purpose as defined*  
40 *in section 535.13 or as a one-family or two-family*  
41 *dwelling which is the residence of the mortgagor.*

42 ~~*b. An action on a claim for rent.*~~

43 Sec. 3. **NEW SECTION. 615.1A Execution on judgment**  
44 **— claim for rent.**

45 After the expiration of a period of ten years from  
46 the date of entry of judgment in an action on a claim  
47 for rent, exclusive of any time during which execution  
48 on the judgment was stayed pending a bankruptcy action  
49 or order of court, such judgment shall be null and  
50 void, all liens shall be extinguished, and no execution

HF356.792 (1) 85

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Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
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1 shall be issued.>  
2 2. Title page, line 1, by striking <period in> and  
3 inserting <periods in bringing suit and>

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KAUFMANN of Cedar



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
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House File 550

H-1192

1 Amend House File 550 as follows:

2 1. Page 3, by striking lines 21 and 22 and  
3 inserting <conjunction with the departments of  
4 administrative services, human services, public health,  
5 and public safety, shall study the potential for  
6 applying new>

7 2. Page 3, after line 32 by inserting:

8 <Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This Act,  
9 being deemed of immediate importance, takes effect upon  
10 enactment.

11 Sec. \_\_\_\_\_. APPLICABILITY. This Act applies  
12 retroactively to persons for whom a record check was  
13 requested not more than sixty calendar days prior to  
14 the effective date of this Act.>

15 3. Title page, line 2, after <students> by  
16 inserting <and including effective date and  
17 applicability provisions>

18 4. By renumbering as necessary.

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HEATON of Henry

HF550.1084 (2) 85  
(amending this HF  
550 to CONFORM to  
SF 347)

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jpr/nh

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Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

House File 604

H-1193

1 Amend House File 604 as follows:

2 1. Page 19, after line 12 by inserting:

3 <Sec. \_\_\_\_\_. NEW SECTION. 285.17 School bus stop arm  
4 camera pilot program.

5 1. The department of education shall establish  
6 a school bus stop arm camera pilot program in  
7 coordination with the department of administrative  
8 services, the department of transportation, and  
9 participating school districts. The department  
10 shall develop procedures and specifications for the  
11 solicitation of bids for the purchase of school bus  
12 stop arm cameras to be used by participating school  
13 districts. The department may award a contract for  
14 purchase to any bidder or bidders responsive to the  
15 needs of at least one participating school district.  
16 However, a participating school district must accept  
17 a bid for which the department awards a contract for  
18 purchases by the school district.

19 2. The department shall establish an application  
20 process for school districts to participate in the  
21 program and shall not implement the program unless at  
22 least three school districts successfully apply. The  
23 department shall encourage school districts of diverse  
24 size and location to apply for the program.

25 3. A participating school district shall install  
26 school bus stop arm cameras received through the  
27 program on at least three school buses used by the  
28 school district. The department and participating  
29 school districts shall jointly share the costs of  
30 purchasing and installing school bus stop arm cameras  
31 pursuant to the program. The department's share of  
32 purchasing and installation costs under the program  
33 shall not exceed fifteen thousand dollars per fiscal  
34 year.

35 4. The department of education, in coordination  
36 with the department of administrative services, the  
37 department of transportation, and participating  
38 school districts, shall submit a report on the  
39 program detailing program outcomes, findings, and  
40 recommendations to the general assembly by January 8,  
41 2016.

42 5. This section is repealed effective June 30,  
43 2016.>

44 2. By renumbering as necessary.

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HALL of Woodbury

HF604.1087 (2) 85

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kh/tm

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Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
March 19, 2013

House File 608 - Introduced

HOUSE FILE 608  
BY COMMITTEE ON COMMERCE  
  
(SUCCESSOR TO HF 88)

A BILL FOR

1 An Act relating to a right of subrogation by an insurer in a  
2 criminal case.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 1575HV (4) 85  
jm/nh



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
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H.F. 608

1 Section 1. Section 602.8107, subsection 2, paragraph c,  
2 subparagraph (1), Code 2013, is amended to read as follows:

3 (1) Pecuniary damages as defined in section 910.1,  
4 subsection 3, payable to a victim other than an insurer.

5 Sec. 2. Section 602.8107, subsection 2, paragraph c, Code  
6 2013, is amended by adding the following new subparagraph:

7 NEW SUBPARAGRAPH. (5) Pecuniary damages as defined in  
8 section 910.1, subsection 3, payable to an insurer.

9 Sec. 3. Section 910.1, subsections 3, 4, and 5, Code 2013,  
10 are amended to read as follows:

11 3. "*Pecuniary damages*" means all damages ~~to the extent not~~  
12 ~~paid by an insurer,~~ which a victim could recover against the  
13 offender in a civil action arising out of the same facts or  
14 event, except punitive damages and damages for pain, suffering,  
15 mental anguish, and loss of consortium. Without limitation,  
16 "*pecuniary damages*" includes damages for wrongful death and  
17 expenses incurred for psychiatric or psychological services  
18 or counseling or other counseling for the victim which became  
19 necessary as a direct result of the criminal activity.

20 4. "*Restitution*" means payment of pecuniary damages to  
21 a victim in an amount and in the manner provided by the  
22 offender's plan of restitution. "*Restitution*" also includes  
23 fines, penalties, and surcharges, the contribution of funds to  
24 a local anticrime organization which provided assistance to law  
25 enforcement in an offender's case, the payment of crime victim  
26 compensation program reimbursements, payment of restitution  
27 to public agencies pursuant to section 321J.2, subsection  
28 13, paragraph "b", court costs including correctional fees  
29 approved pursuant to section 356.7, court-appointed attorney  
30 fees ordered pursuant to section 815.9, including the expense  
31 of a public defender, and the performance of a public service  
32 by an offender in an amount set by the court when the offender  
33 cannot reasonably pay all or part of the court costs including  
34 correctional fees approved pursuant to section 356.7, or  
35 court-appointed attorney fees ordered pursuant to section

LSB 1575HV (4) 85

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1 815.9, including the expense of a public defender, and payment  
2 to the medical assistance program pursuant to chapter 249A for  
3 expenditures paid on behalf of the victim resulting from the  
4 offender's criminal activities including investigative costs  
5 incurred by the Medicaid fraud control unit pursuant to section  
6 249A.7. If a victim has received compensation from an insurer,  
7 the court shall order restitution to be paid to the source of  
8 such payments to the extent of such payments, subject to the  
9 priority of payment provisions in the restitution plan under  
10 section 910.2.

11 5. "*Victim*" means a person who has suffered pecuniary  
12 damages as a result of the offender's criminal activities.  
13 However, for purposes of this chapter, an insurer is not a  
14 victim and does not have a right of subrogation except as  
15 provided in the insurance policy or contract. However, the  
16 insurer has the right to be included in any restitution plan.  
17 The crime victim compensation program is not an insurer for  
18 purposes of this chapter, and the right of subrogation provided  
19 by section 915.92 does not prohibit restitution to the crime  
20 victim compensation program.

21 Sec. 4. Section 910.2, Code 2013, is amended to read as  
22 follows:

23 **910.2 Restitution or community service to be ordered by**  
24 **sentencing court.**

25 1. In all criminal cases in which there is a plea of guilty,  
26 verdict of guilty, or special verdict upon which a judgment  
27 of conviction is rendered, the sentencing court shall order  
28 that restitution be made by each offender to the victims of  
29 the offender's criminal activities, to the clerk of court for  
30 fines, penalties, surcharges, and, to the extent that the  
31 offender is reasonably able to pay, for crime victim assistance  
32 reimbursement, restitution to public agencies pursuant to  
33 section 321J.2, subsection 13, paragraph "b", court costs  
34 including correctional fees approved pursuant to section  
35 356.7, court-appointed attorney fees ordered pursuant to

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1 section 815.9, including the expense of a public defender, when  
2 applicable, contribution to a local anticrime organization,  
3 ~~or~~ restitution to the medical assistance program pursuant  
4 to chapter 249A, or restitution to an insurer. However,  
5 victims shall be paid in full before fines, penalties, and  
6 surcharges, crime victim compensation program reimbursement,  
7 public agencies, court costs including correctional fees  
8 approved pursuant to section 356.7, court-appointed attorney  
9 fees ordered pursuant to section 815.9, including the expenses  
10 of a public defender, contributions to a local anticrime  
11 organization, ~~or the medical assistance program, or an~~  
12 insurer are paid. In structuring a plan of restitution, the  
13 court shall provide for payments in the following order of  
14 priority: victim, fines, penalties, and surcharges, crime  
15 victim compensation program reimbursement, public agencies,  
16 court costs including correctional fees approved pursuant to  
17 section 356.7, court-appointed attorney fees ordered pursuant  
18 to section 815.9, including the expense of a public defender,  
19 contribution to a local anticrime organization, ~~and the medical~~  
20 assistance program, and an insurer.

21 2. When the offender is not reasonably able to pay all or a  
22 part of the crime victim compensation program reimbursement,  
23 public agency restitution, court costs including correctional  
24 fees approved pursuant to section 356.7, court-appointed  
25 attorney fees ordered pursuant to section 815.9, including the  
26 expense of a public defender, contribution to a local anticrime  
27 organization, ~~or medical assistance program restitution,~~  
28 or insurer restitution, the court may require the offender  
29 in lieu of that portion of the crime victim compensation  
30 program reimbursement, public agency restitution, court costs  
31 including correctional fees approved pursuant to section  
32 356.7, court-appointed attorney fees ordered pursuant to  
33 section 815.9, including the expense of a public defender,  
34 contribution to a local anticrime organization, ~~or medical~~  
35 assistance program restitution, or insurer restitution for

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1 which the offender is not reasonably able to pay, to perform  
2 a needed public service for a governmental agency or for a  
3 private nonprofit agency which provides a service to the youth,  
4 elderly, or poor of the community. When community service is  
5 ordered, the court shall set a specific number of hours of  
6 service to be performed by the offender which, for payment  
7 of court-appointed attorney fees ordered pursuant to section  
8 815.9, including the expenses of a public defender, shall be  
9 approximately equivalent in value to those costs. The judicial  
10 district department of correctional services shall provide for  
11 the assignment of the offender to a public agency or private  
12 nonprofit agency to perform the required service.

13 Sec. 5. Section 915.92, Code 2013, is amended to read as  
14 follows:

15 **915.92 Right of action against perpetrator — subrogation.**

16 1. A right of legal action by the victim against a person  
17 who has committed a crime is not lost as a consequence of  
18 a person receiving compensation under the crime victim  
19 compensation program. If a person receiving compensation  
20 under the program seeks indemnification which would reduce the  
21 compensation under section 915.87, subsection 1, the department  
22 is subrogated to the recovery to the extent of payments by the  
23 department to or on behalf of the person. The department has  
24 a right of legal action against a person who has committed a  
25 crime resulting in payment of compensation by the department to  
26 the extent of the compensation payment. However, legal action  
27 by the department does not affect the right of a person to seek  
28 further relief in other legal actions.

29 2. In case of recovery, the court shall enter judgment for  
30 distribution of the proceeds as follows:

31 a. A sum sufficient to repay any payments actually paid by  
32 the victim compensation fund.

33 b. A sum sufficient to repay the victim for the damages  
34 incurred as a result of the crime.

35 c. The balance, if any, shall be paid to the clerk of the

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1 district court and distributed according to any remaining  
2 balances that remain in the restitution plan.

3 Sec. 6. IMPLEMENTATION OF ACT. Section 25B.2, subsection  
4 3, shall not apply to this Act.

5 EXPLANATION

6 This bill permits an insurer to be part of a plan of  
7 restitution in a criminal case.

8 The bill changes the definition of "pecuniary damages" in  
9 regard to restitution to be paid in a criminal case to include  
10 compensation paid to a victim by insurer.

11 The bill specifies that if a victim of a crime has received  
12 compensation from an insurer, the court shall order restitution  
13 to be paid to the source of such compensation.

14 When structuring the priority of payments in a restitution  
15 plan under Code section 910.2(1), the bill specifies that an  
16 insurer be paid after the victim, governmental agencies, and  
17 organizations are paid.

18 Under current law, damages paid by an insurer are  
19 specifically excluded from the definition of "pecuniary  
20 damages" and are not included in the restitution plan in a  
21 criminal case.

22 The bill does not modify the right of an insurer to seek  
23 reimbursement from the perpetrator of a crime through a right  
24 of subrogation in the insurance policy or contract between the  
25 insurer and the victim.

26 The bill may include a state mandate as defined in Code  
27 section 25B.3. The bill makes inapplicable Code section 25B.2,  
28 subsection 3, which would relieve a political subdivision from  
29 complying with a state mandate if funding for the cost of  
30 the state mandate is not provided or specified. Therefore,  
31 political subdivisions are required to comply with any state  
32 mandate included in the bill.



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House File 609 - Introduced

HOUSE FILE 609  
BY COMMITTEE ON WAYS AND MEANS  
  
(SUCCESSOR TO HSB 150)

A BILL FOR

1 An Act relating to state and local finances by establishing and  
2 modifying property assessment limitations, providing for  
3 commercial and industrial property tax replacement payments,  
4 increasing the regular program foundation base percentage,  
5 making appropriations, and including effective date and  
6 retroactive applicability provisions.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

PROPERTY ASSESSMENT LIMITATION AND REPLACEMENT

1  
2  
3 Section 1. Section 257.3, subsection 1, Code 2013, is  
4 amended by adding the following new paragraph:  
5 NEW PARAGRAPH. d. The amount paid to each school district  
6 for the commercial and industrial property tax replacement  
7 claim under section 441.21A shall be regarded as property tax.  
8 The portion of the payment which is foundation property tax  
9 shall be determined by applying the foundation property tax  
10 rate to the amount computed under section 441.21A, subsection  
11 4, paragraph "a", and such amount shall be prorated pursuant to  
12 section 441.21A, subsection 2, if applicable.  
13 Sec. 2. Section 331.512, Code 2013, is amended by adding the  
14 following new subsection:  
15 NEW SUBSECTION. 13A. Carry out duties relating to the  
16 calculation and payment of commercial and industrial property  
17 tax replacement claims under section 441.21A.  
18 Sec. 3. Section 331.559, Code 2013, is amended by adding the  
19 following new subsection:  
20 NEW SUBSECTION. 25A. Carry out duties relating to the  
21 calculation and payment of commercial and industrial property  
22 tax replacement claims under section 441.21A.  
23 Sec. 4. Section 441.21, subsection 4, Code 2013, is amended  
24 to read as follows:  
25 4. For valuations established as of January 1, 1979,  
26 the percentage of actual value at which agricultural and  
27 residential property shall be assessed shall be the quotient  
28 of the dividend and divisor as defined in this section. The  
29 dividend for each class of property shall be the dividend  
30 as determined for each class of property for valuations  
31 established as of January 1, 1978, adjusted by the product  
32 obtained by multiplying the percentage determined for that  
33 year by the amount of any additions or deletions to actual  
34 value, excluding those resulting from the revaluation of  
35 existing properties, as reported by the assessors on the

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1 abstracts of assessment for 1978, plus six percent of the  
2 amount so determined. However, if the difference between the  
3 dividend so determined for either class of property and the  
4 dividend for that class of property for valuations established  
5 as of January 1, 1978, adjusted by the product obtained by  
6 multiplying the percentage determined for that year by the  
7 amount of any additions or deletions to actual value, excluding  
8 those resulting from the revaluation of existing properties,  
9 as reported by the assessors on the abstracts of assessment  
10 for 1978, is less than six percent, the 1979 dividend for the  
11 other class of property shall be the dividend as determined for  
12 that class of property for valuations established as of January  
13 1, 1978, adjusted by the product obtained by multiplying  
14 the percentage determined for that year by the amount of  
15 any additions or deletions to actual value, excluding those  
16 resulting from the revaluation of existing properties, as  
17 reported by the assessors on the abstracts of assessment for  
18 1978, plus a percentage of the amount so determined which is  
19 equal to the percentage by which the dividend as determined  
20 for the other class of property for valuations established  
21 as of January 1, 1978, adjusted by the product obtained by  
22 multiplying the percentage determined for that year by the  
23 amount of any additions or deletions to actual value, excluding  
24 those resulting from the revaluation of existing properties,  
25 as reported by the assessors on the abstracts of assessment  
26 for 1978, is increased in arriving at the 1979 dividend for  
27 the other class of property. The divisor for each class of  
28 property shall be the total actual value of all such property  
29 in the state in the preceding year, as reported by the  
30 assessors on the abstracts of assessment submitted for 1978,  
31 plus the amount of value added to said total actual value by  
32 the revaluation of existing properties in 1979 as equalized  
33 by the director of revenue pursuant to section 441.49. The  
34 director shall utilize information reported on abstracts of  
35 assessment submitted pursuant to section 441.45 in determining



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1 such percentage. For valuations established as of January 1,  
2 1980, and each assessment year thereafter beginning before  
3 January 1, 2013, the percentage of actual value as equalized  
4 by the director of revenue as provided in section 441.49 at  
5 which agricultural and residential property shall be assessed  
6 shall be calculated in accordance with the methods provided  
7 herein including the limitation of increases in agricultural  
8 and residential assessed values to the percentage increase of  
9 the other class of property if the other class increases less  
10 than the allowable limit adjusted to include the applicable  
11 and current values as equalized by the director of revenue,  
12 except that any references to six percent in this subsection  
13 shall be four percent. For valuations established as of  
14 January 1, 2013, and each assessment year thereafter, the  
15 percentage of actual value as equalized by the director of  
16 revenue as provided in section 441.49 at which agricultural and  
17 residential property shall be assessed shall be calculated in  
18 accordance with the methods provided in this subsection, except  
19 that any references to six percent in this subsection shall  
20 be two percent, and including, for assessment years beginning  
21 on or after January 1, 2013, but before January 1, 2017,  
22 the limitation of increases in agricultural and residential  
23 assessed values to the percentage increase of the other  
24 class of property if the other class increases less than the  
25 allowable limit adjusted to include the applicable and current  
26 values as equalized by the director of revenue, and including,  
27 for assessment years beginning on or after January 1, 2017, the  
28 limitation in subsection 5A.

29 Sec. 5. Section 441.21, subsection 5, Code 2013, is amended  
30 to read as follows:

31 5. a. For valuations established as of January 1, 1979,  
32 commercial property and industrial property, excluding  
33 properties referred to in section 427A.1, subsection 8, shall  
34 be assessed as a percentage of the actual value of each class  
35 of property. The percentage shall be determined for each

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1 class of property by the director of revenue for the state in  
2 accordance with the provisions of this section. For valuations  
3 established as of January 1, 1979, the percentage shall be  
4 the quotient of the dividend and divisor as defined in this  
5 section. The dividend for each class of property shall be the  
6 total actual valuation for each class of property established  
7 for 1978, plus six percent of the amount so determined. The  
8 divisor for each class of property shall be the valuation  
9 for each class of property established for 1978, as reported  
10 by the assessors on the abstracts of assessment for 1978,  
11 plus the amount of value added to the total actual value by  
12 the revaluation of existing properties in 1979 as equalized  
13 by the director of revenue pursuant to section 441.49. For  
14 valuations established as of January 1, 1979, property valued  
15 by the department of revenue pursuant to chapters 428, 433,  
16 437, and 438 shall be considered as one class of property and  
17 shall be assessed as a percentage of its actual value. The  
18 percentage shall be determined by the director of revenue in  
19 accordance with the provisions of this section. For valuations  
20 established as of January 1, 1979, the percentage shall be  
21 the quotient of the dividend and divisor as defined in this  
22 section. The dividend shall be the total actual valuation  
23 established for 1978 by the department of revenue, plus ten  
24 percent of the amount so determined. The divisor for property  
25 valued by the department of revenue pursuant to chapters 428,  
26 433, 437, and 438 shall be the valuation established for 1978,  
27 plus the amount of value added to the total actual value by  
28 the revaluation of the property by the department of revenue  
29 as of January 1, 1979. For valuations established as of  
30 January 1, 1980, commercial property and industrial property,  
31 excluding properties referred to in section 427A.1, subsection  
32 8, shall be assessed at a percentage of the actual value of  
33 each class of property. The percentage shall be determined  
34 for each class of property by the director of revenue for the  
35 state in accordance with the provisions of this section. For



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1 valuations established as of January 1, 1980, the percentage  
2 shall be the quotient of the dividend and divisor as defined in  
3 this section. The dividend for each class of property shall  
4 be the dividend as determined for each class of property for  
5 valuations established as of January 1, 1979, adjusted by the  
6 product obtained by multiplying the percentage determined  
7 for that year by the amount of any additions or deletions to  
8 actual value, excluding those resulting from the revaluation  
9 of existing properties, as reported by the assessors on the  
10 abstracts of assessment for 1979, plus four percent of the  
11 amount so determined. The divisor for each class of property  
12 shall be the total actual value of all such property in 1979,  
13 as equalized by the director of revenue pursuant to section  
14 441.49, plus the amount of value added to the total actual  
15 value by the revaluation of existing properties in 1980. The  
16 director shall utilize information reported on the abstracts of  
17 assessment submitted pursuant to section 441.45 in determining  
18 such percentage. For valuations established as of January 1,  
19 1980, property valued by the department of revenue pursuant  
20 to chapters 428, 433, 437, and 438 shall be assessed at a  
21 percentage of its actual value. The percentage shall be  
22 determined by the director of revenue in accordance with the  
23 provisions of this section. For valuations established as  
24 of January 1, 1980, the percentage shall be the quotient of  
25 the dividend and divisor as defined in this section. The  
26 dividend shall be the total actual valuation established for  
27 1979 by the department of revenue, plus eight percent of the  
28 amount so determined. The divisor for property valued by the  
29 department of revenue pursuant to chapters 428, 433, 437,  
30 and 438 shall be the valuation established for 1979, plus  
31 the amount of value added to the total actual value by the  
32 revaluation of the property by the department of revenue as  
33 of January 1, 1980. For valuations established as of January  
34 1, 1981, and each assessment year thereafter beginning before  
35 January 1, 2013, the percentage of actual value as equalized

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1 by the director of revenue as provided in section 441.49 at  
2 which commercial property and industrial property, excluding  
3 properties referred to in section 427A.1, subsection 8, shall  
4 be assessed shall be calculated in accordance with the methods  
5 provided herein, except that any references to six percent  
6 in this subsection shall be four percent. For valuations  
7 established as of January 1, 1981, and each year thereafter,  
8 the percentage of actual value at which property valued by  
9 the department of revenue pursuant to chapters 428, 433, 437,  
10 and 438 shall be assessed shall be calculated in accordance  
11 with the methods provided herein, except that any references  
12 to ten percent in this subsection shall be eight percent.  
13 Beginning with valuations established as of January 1, 1979,  
14 and each assessment year thereafter beginning before January  
15 1, 2013, property valued by the department of revenue pursuant  
16 to chapter 434 shall also be assessed at a percentage of its  
17 actual value which percentage shall be equal to the percentage  
18 determined by the director of revenue for commercial property,  
19 industrial property, or property valued by the department of  
20 revenue pursuant to chapters 428, 433, 437, and 438, whichever  
21 is lowest. For valuations established on or after January  
22 1, 2013, but before January 1, 2017, commercial property and  
23 industrial property shall be assessed as provided in paragraphs  
24 "b" and "c", as applicable. For valuations established as  
25 of January 1, 2017, and each assessment year thereafter, the  
26 percentage of actual value as equalized by the director of  
27 revenue as provided in section 441.49 at which commercial  
28 property shall be assessed shall be calculated in accordance  
29 with the methods provided in this subsection, including the  
30 limitation in subsection 5A, except that any references to  
31 six percent in this subsection shall be two percent. For  
32 valuations established on or after January 1, 2017, industrial  
33 property shall be assessed at a percentage of its actual value  
34 equal to the percentage of actual value at which property  
35 assessed as commercial property is assessed for the same



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1 assessment year following application of the limitation in  
2 subsection 5A, if applicable. For valuations established on  
3 or after January 1, 2013, property valued by the department  
4 of revenue pursuant to chapter 434 shall be assessed at a  
5 percentage of its actual value equal to the percentage of  
6 actual value at which property assessed as commercial property  
7 is assessed for the same assessment year following application  
8 of the limitation in subsection 5A, if applicable.

9 b. For valuations established on or after January 1, 2013,  
10 but before January 1, 2017, commercial property, excluding  
11 properties referred to in section 427A.1, subsection 8, shall  
12 be assessed at a percentage of its actual value, as determined  
13 in this paragraph "b". For valuations established for the  
14 assessment year beginning January 1, 2013, the percentage  
15 of actual value as equalized by the director of revenue as  
16 provided in section 441.49 at which commercial property shall  
17 be assessed shall be ninety-five percent. For valuations  
18 established for the assessment year beginning January 1, 2014,  
19 the percentage of actual value as equalized by the director  
20 of revenue as provided in section 441.49 at which commercial  
21 property shall be assessed shall be ninety percent. For  
22 valuations established for the assessment year beginning  
23 January 1, 2015, the percentage of actual value as equalized by  
24 the director of revenue as provided in section 441.49 at which  
25 commercial property shall be assessed shall be eighty-five  
26 percent. For valuations established for the assessment year  
27 beginning January 1, 2016, the percentage of actual value as  
28 equalized by the director of revenue as provided in section  
29 441.49 at which commercial property shall be assessed shall be  
30 eighty percent.

31 c. For valuations established on or after January 1, 2013,  
32 but before January 1, 2017, industrial property, excluding  
33 properties referred to in section 427A.1, subsection 8, shall  
34 be assessed at a percentage of its actual value, as determined  
35 in this paragraph "c". For valuations established for the



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1 assessment year beginning January 1, 2013, the percentage  
2 of actual value as equalized by the director of revenue as  
3 provided in section 441.49 at which industrial property shall  
4 be assessed shall be ninety-five percent. For valuations  
5 established for the assessment year beginning January 1, 2014,  
6 the percentage of actual value as equalized by the director  
7 of revenue as provided in section 441.49 at which industrial  
8 property shall be assessed shall be ninety percent. For  
9 valuations established for the assessment year beginning  
10 January 1, 2015, the percentage of actual value as equalized by  
11 the director of revenue as provided in section 441.49 at which  
12 industrial property shall be assessed shall be eighty-five  
13 percent. For valuations established for the assessment year  
14 beginning January 1, 2016, the percentage of actual value as  
15 equalized by the director of revenue as provided in section  
16 441.49 at which industrial property shall be assessed shall be  
17 eighty percent.

18 Sec. 6. Section 441.21, Code 2013, is amended by adding the  
19 following new subsection:

20 NEW SUBSECTION. 5A. In addition to the limitation  
21 of increases for agricultural and residential property  
22 applicable under subsection 4 and the limitation of increase  
23 for commercial property applicable under subsection 5, for  
24 valuations established for the assessment year beginning  
25 January 1, 2017, and each assessment year thereafter, for  
26 residential, agricultural, and commercial property, the  
27 assessed value of each of these three classes of property shall  
28 be limited to the percentage increase of that class of property  
29 that is the lowest percentage increase under the allowable  
30 limit adjusted to include the applicable and current values as  
31 equalized by the director of revenue.

32 Sec. 7. NEW SECTION. 441.21A Commercial and industrial  
33 property tax replacement — replacement claims.

34 1. a. For each fiscal year beginning on or after July  
35 1, 2014, there is appropriated from the general fund of the



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1 state to the department of revenue an amount necessary for  
2 the payment of all commercial and industrial property tax  
3 replacement claims under this section for the fiscal year.  
4 However, for a fiscal year beginning on or after July 1, 2018,  
5 the total amount of moneys appropriated from the general fund  
6 of the state to the department of revenue for the payment  
7 of commercial and industrial property tax replacement claims  
8 in that fiscal year shall not exceed the total amount of  
9 money that was necessary to pay all commercial and industrial  
10 property tax replacement claims for the fiscal year beginning  
11 July 1, 2017.

12     **b.** Moneys appropriated by the general assembly to the  
13 department under this subsection for the payment of commercial  
14 and industrial property tax replacement claims are not subject  
15 to a uniform reduction in appropriations in accordance with  
16 section 8.31.

17     **2.** Beginning with the fiscal year beginning July 1, 2014,  
18 each county treasurer shall be paid by the department of  
19 revenue an amount equal to the amount of the commercial and  
20 industrial property tax replacement claims in the county, as  
21 calculated in subsection 4. For fiscal years beginning on or  
22 after July 1, 2018, if an amount appropriated for a fiscal year  
23 is insufficient to pay all replacement claims, the director of  
24 revenue shall prorate the payment of replacement claims to the  
25 county treasurers and shall notify the county auditors of the  
26 pro rata percentage on or before September 30.

27     **3.** On or before July 1 of each fiscal year beginning on or  
28 after July 1, 2014, the assessor shall report to the county  
29 auditor the total actual value of all commercial property and  
30 industrial property in the county for the assessment year used  
31 to calculate the taxes due and payable in that fiscal year.

32     **4.** On or before a date established by rule of the department  
33 of revenue of each fiscal year beginning on or after July 1,  
34 2014, the county auditor shall prepare a statement, based upon  
35 the report received pursuant to subsection 3, listing for each



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1 taxing district in the county:  
2     *a.* The difference between the assessed valuation of all  
3 commercial property and industrial property for the assessment  
4 year used to calculate taxes which are due and payable in the  
5 applicable fiscal year and the actual value of all commercial  
6 property and industrial property for the same assessment year.  
7 If the difference between the assessed value of all commercial  
8 property and industrial property and the actual valuation of  
9 all commercial property and industrial property is zero, there  
10 is no tax replacement for that taxing district for the fiscal  
11 year.  
12     *b.* The tax levy rate per one thousand dollars of assessed  
13 value for each taxing district for that fiscal year.  
14     *c.* The commercial and industrial property tax replacement  
15 claim for each taxing district. The replacement claim is equal  
16 to the amount determined pursuant to paragraph "*a*", multiplied  
17 by the tax rate specified in paragraph "*b*", and then divided by  
18 one thousand dollars.  
19     5. For purposes of computing replacement amounts under  
20 this section, that portion of an urban renewal area defined as  
21 the sum of the assessed valuations defined in section 403.19,  
22 subsections 1 and 2, shall be considered a taxing district.  
23     6. *a.* The county auditor shall certify and forward one copy  
24 of the statement to the department of revenue not later than  
25 a date of each year established by the department of revenue  
26 by rule.  
27     *b.* The replacement claims shall be paid to each county  
28 treasurer in equal installments in September and March of each  
29 year. The county treasurer shall apportion the replacement  
30 claim payments among the eligible taxing districts in the  
31 county.  
32     *c.* If the taxing district is an urban renewal area, the  
33 amount of the replacement claim shall be apportioned and  
34 credited to those portions of the assessed value defined in  
35 section 403.19, subsections 1 and 2, as follows:

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1 (1) To that portion defined in section 403.19, subsection  
2 1, an amount of the replacement claim that is proportionate to  
3 the amount of actual value of the commercial and industrial  
4 property in the urban renewal area as determined in section  
5 403.19, subsection 1, that was subtracted pursuant to section  
6 403.20, as it bears to the total amount of actual value of  
7 the commercial and industrial property in the urban renewal  
8 area that was subtracted pursuant to section 403.20 for the  
9 assessment year for property taxes due and payable in the  
10 fiscal year for which the replacement claim is computed.

11 (2) To that portion defined in section 403.19, subsection 2,  
12 the remaining amount, if any.

13 d. Notwithstanding the allocation provisions of paragraph  
14 "c", the amount of the tax replacement amount that shall be  
15 allocated to that portion of the assessed value defined in  
16 section 403.19, subsection 2, shall not exceed the amount equal  
17 to the amount certified to the county auditor under section  
18 403.19 for the fiscal year in which the claim is paid, after  
19 deduction of the amount of other revenues committed for payment  
20 on that amount for the fiscal year. The amount not allocated  
21 to that portion of the assessed value defined in section  
22 403.19, subsection 2, as a result of the operation of this  
23 paragraph, shall be allocated to that portion of assessed value  
24 defined in section 403.19, subsection 1.

25 e. The amount of the replacement claim amount credited to  
26 the portion of the assessed value defined in section 403.19,  
27 subsection 1, shall be allocated to and when received be paid  
28 into the fund for the respective taxing district as taxes by  
29 or for the taxing district into which all other property taxes  
30 are paid. The amount of the replacement claim amount credited  
31 to the portion of the assessed value defined in section 403.19,  
32 subsection 2, shall be allocated to and when collected be paid  
33 into the special fund of the municipality under section 403.19,  
34 subsection 2.

35 Sec. 8. SAVINGS PROVISION. This division of this Act,

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1 pursuant to section 4.13, does not affect the operation of,  
2 or prohibit the application of, prior provisions of section  
3 441.21, or rules adopted under chapter 17A to administer prior  
4 provisions of section 441.21, for assessment years beginning  
5 before January 1, 2013, and for duties, powers, protests,  
6 appeals, proceedings, actions, or remedies attributable to an  
7 assessment year beginning before January 1, 2013.

8 Sec. 9. EFFECTIVE UPON ENACTMENT. This division of this  
9 Act, being deemed of immediate importance, takes effect upon  
10 enactment.

11 Sec. 10. RETROACTIVE APPLICABILITY. This division of this  
12 Act applies retroactively to January 1, 2013, for assessment  
13 years beginning on or after that date.

14 DIVISION II

15 SCHOOL DISTRICT FUNDING

16 Sec. 11. Section 257.1, subsection 2, paragraph b, Code  
17 2013, is amended by striking the paragraph and inserting in  
18 lieu thereof the following:

19 b. (1) The regular program foundation base per pupil is the  
20 following:

21 (a) For the budget year commencing July 1, 2012, and the  
22 budget year commencing July 1, 2013, the regular program  
23 foundation base per pupil is eighty-seven and five-tenths  
24 percent of the regular program state cost per pupil.

25 (b) For the budget year commencing July 1, 2014, the regular  
26 program foundation base per pupil is eighty-nine and three  
27 hundred seventy-five thousandths percent of the regular program  
28 state cost per pupil.

29 (c) For the budget year commencing July 1, 2015, the regular  
30 program foundation base per pupil is ninety-one and twenty-five  
31 hundredths percent of the regular program state cost per pupil.

32 (d) For the budget year commencing July 1, 2016, the regular  
33 program foundation base per pupil is ninety-three and one  
34 hundred twenty-five thousandths percent of the regular program  
35 state cost per pupil.

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1 (e) For the budget year commencing July 1, 2017, and  
2 succeeding budget years, the regular program foundation base  
3 per pupil is ninety-five percent of the regular program state  
4 cost per pupil.

5 (2) For each budget year, the special education support  
6 services foundation base is seventy-nine percent of the special  
7 education support services state cost per pupil. The combined  
8 foundation base is the sum of the regular program foundation  
9 base, the special education support services foundation base,  
10 the total teacher salary supplement district cost, the total  
11 professional development supplement district cost, the total  
12 early intervention supplement district cost, the total area  
13 education agency teacher salary supplement district cost,  
14 and the total area education agency professional development  
15 supplement district cost.

16 EXPLANATION

17 This bill relates to state and local government finances  
18 by modifying property assessment limitations, providing for  
19 commercial and industrial property tax replacement payments,  
20 and by increasing the regular program foundation base  
21 percentage.

22 Division I of the bill changes the property tax assessment  
23 limitation percentage for residential property and agricultural  
24 property from 4 percent to 2 percent for assessment years  
25 beginning on or after January 1, 2013.

26 Division I of the bill modifies the methodology in Code  
27 section 441.21(5) currently used to determine the percentage  
28 of actual value at which commercial property and industrial  
29 property are assessed for property tax purposes. The bill  
30 provides that for valuations established for the assessment  
31 year beginning January 1, 2013, the percentage of actual value  
32 at which commercial and industrial property are assessed is  
33 95 percent. For the assessment year beginning January 1,  
34 2014, the percentage of actual value at which commercial and  
35 industrial property are assessed is 90 percent. For the

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1 assessment year beginning January 1, 2015, the percentage of  
2 actual value at which commercial and industrial property are  
3 assessed is 85 percent. For the assessment year beginning  
4 January 1, 2016, the percentage of actual value at which  
5 commercial and industrial property are assessed is 80 percent.  
6 For assessment years beginning on or after January 1, 2017,  
7 the percentage of actual value at which commercial property is  
8 assessed shall be calculated in accordance with the methodology  
9 used to determine the percentage at which commercial property  
10 is assessed for assessment years beginning before January 1,  
11 2013, except that the percentage of permissible assessed value  
12 growth is changed from 4 percent to 2 percent. For assessment  
13 years beginning on or after January 1, 2017, the percentage of  
14 actual value at which industrial property is assessed shall be  
15 equal to the percentage of actual value at which commercial  
16 property is assessed for the same assessment year.

17 Division I of the bill also provides that for assessment  
18 years beginning on or after January 1, 2017, in addition to the  
19 limitations on the growth in taxable value for agricultural  
20 and residential property in Code section 441.21(4) and  
21 commercial property in Code section 441.21(5), for residential,  
22 agricultural, and commercial property, the assessed value of  
23 each of these three classes of property shall be limited to  
24 the percentage increase of that class of property that is the  
25 lowest percentage increase under the allowable limit.

26 Division I of the bill provides that for valuations  
27 established on or after January 1, 2013, property valued by the  
28 department of revenue pursuant to Code chapter 434 (railway  
29 property) is assessed at a percentage of its actual value equal  
30 to the percentage of actual value at which commercial property  
31 is assessed for the same assessment year.

32 Division I of the bill provides for commercial and  
33 industrial property tax replacement payments in new Code  
34 section 441.21A. For the fiscal year beginning July 1, 2014,  
35 and each fiscal year thereafter, the bill appropriates from

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1 the general fund of the state to the department of revenue an  
2 amount necessary to pay all commercial and industrial property  
3 tax replacement claims for that fiscal year. However, in no  
4 fiscal year beginning on or after July 1, 2018, shall the total  
5 amount of money appropriated from the general fund of the  
6 state for the payment of commercial and industrial property  
7 tax replacement claims in that fiscal year exceed the total  
8 amount of money that was necessary to pay all commercial and  
9 industrial property tax replacement payments for the fiscal  
10 year beginning July 1, 2017.

11 Division I of the bill provides that moneys appropriated  
12 by the general assembly to the department of revenue under  
13 new Code section 441.21A for the payment of commercial and  
14 industrial property tax replacement claims are not subject to  
15 a uniform reduction in appropriations in accordance with Code  
16 section 8.31.

17 For fiscal years beginning on or after July 1, 2018, if  
18 an amount appropriated to the department of revenue for a  
19 fiscal year is insufficient to pay all replacement claims, the  
20 director of revenue shall prorate the replacement payments to  
21 the county treasurers and shall notify the county auditors of  
22 the pro rata percentage on or before September 30.

23 Division I of the bill requires the assessor to report to  
24 the county auditor, on or before July 1 of each fiscal year  
25 beginning on or after July 1, 2014, the total assessed value  
26 of all commercial property and industrial property for taxes  
27 due and payable in that fiscal year. On or before a date  
28 established by the department of revenue, the county auditor  
29 prepares a statement, based upon the report listing for each  
30 taxing district in the county the difference between assessed  
31 and actual values of such property located in the taxing  
32 district, the tax levy rate per \$1,000 of assessed value for  
33 each taxing district, and the property tax replacement claim  
34 for each taxing district. The replacement claim is equal to  
35 the difference between the assessed valuation of all such

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1 property located in the taxing district and assessed for the  
2 applicable assessment year and the total actual value of all  
3 such property located in the taxing district for the same  
4 assessment year, multiplied by the tax rate per \$1,000 of  
5 assessed value specified for the taxing district, and then  
6 divided by \$1,000. If the difference between the actual and  
7 assessed values is zero, there is no replacement claim for the  
8 taxing district for that year.

9 Replacement claims are paid to each county treasurer in  
10 equal installments in September and March of each year. The  
11 county treasurer apportions the replacement claim payments  
12 among the eligible taxing districts in the county.

13 Division I of the bill defines a tax increment financing  
14 district in an urban renewal area as a taxing district for  
15 purposes of allocation of replacement moneys and provides for  
16 the method of allocation in those districts.

17 Division I of the bill, pursuant to Code section 4.13, does  
18 not affect the application of prior provisions of Code section  
19 441.21 to assessment years beginning before January 1, 2013.

20 Division I of the bill takes effect upon enactment and  
21 applies retroactively to January 1, 2013, for assessment years  
22 beginning on or after that date.

23 Division II of the bill provides for an increase in the  
24 regular program foundation base under the state school  
25 foundation program. The regular program foundation base is  
26 the specified percentage of the regular state program cost  
27 per pupil calculation which is paid as state aid to school  
28 districts, above and beyond the uniform property tax levy  
29 imposed in Code section 257.3. Beginning with the budget  
30 year commencing July 1, 2014, the increase is phased in over  
31 a period of years from the current regular program foundation  
32 base level of 87.5 percent of the regular program state  
33 cost per pupil to the level of 95 percent for budget years  
34 commencing on or after July 1, 2017.



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House Resolution 30 - Introduced

HOUSE RESOLUTION NO. 30

BY UPMEYER and DUNKEL

1 A Resolution honoring the Sukup Manufacturing Company  
2 for a half century of manufacturing innovation and  
3 public service.

4 WHEREAS, fifty years ago Eugene Sukup modified an  
5 auger in a Sheffield machine shop, making it capable of  
6 loosening hot spots and preventing spoilage in stored  
7 corn, thereafter improving his invention and patenting  
8 it, and the Sukup Manufacturing Company was born; and

9 WHEREAS, from that modest beginning, the  
10 Sukup Manufacturing Company has grown to include  
11 500 employees, six distribution centers, and a  
12 manufacturing facility; and

13 WHEREAS, over the last half century the Sukup  
14 Manufacturing Company has become the largest  
15 family-owned grain storage, handling, and drying  
16 manufacturer in the world; and

17 WHEREAS, innovation and dedication have been the key  
18 to company success, with the company holding over 80  
19 patents and Mr. Sukup being inducted into both the Iowa  
20 Inventors Hall of Fame and the Iowa Business Hall of  
21 Fame; and

22 WHEREAS, the extended Sukup family and the  
23 company share their success and good fortune with  
24 others, supporting charitable and other good works  
25 on a worldwide, statewide, and community basis; NOW  
26 THEREFORE,

27 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,  
28 That the House of Representatives congratulates the

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1 Sukup Manufacturing Company for 50 years of growth  
2 and progress and for its service to the state and the  
3 community.



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**House Resolution 31 - Introduced**

HOUSE RESOLUTION NO. 31

BY BYRNES, JACOBY, STANERSON, and HIGHFILL

1 A Resolution recognizing October 25, 2013, as Dan Gable  
2 Day in Iowa.

3 WHEREAS, Dan Gable has a long storied history in  
4 the wrestling world that includes three high school  
5 championships, two NCAA wrestling championships, and  
6 an Olympic gold medal; and

7 WHEREAS, in 21 years of coaching, Dan Gable led the  
8 University of Iowa to 15 NCAA team championships and 21  
9 consecutive Big Ten Championships; and

10 WHEREAS, Dan Gable's leadership, competitiveness,  
11 and coaching skills created future generations of  
12 wrestlers, many of whom have gone on to national and  
13 world wrestling prominence; and

14 WHEREAS, Dan Gable is an ambassador for the sport of  
15 wrestling; and

16 WHEREAS, the National Wrestling Hall of Fame Museum  
17 in Waterloo, Iowa, is named after Dan Gable; and

18 WHEREAS, even though he no longer sits in a corner  
19 as a coach, Dan Gable still has a significant impact on  
20 the world of wrestling; and

21 WHEREAS, for more than 30 years Dan Gable changed  
22 the landscape of the high school and college wrestling  
23 worlds; NOW THEREFORE,

24 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, That  
25 the House of Representatives recognizes October 25,  
26 2013, as Dan Gable Day in Iowa.

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House Study Bill 222 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

A BILL FOR

- 1 An Act relating to the protest and appeal of property
- 2 assessments and including effective date and applicability
- 3 provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 421.1A, subsection 6, Code 2013, is  
2 amended to read as follows:

3 6. The members of the property assessment appeal board  
4 shall receive compensation from the state commensurate with  
5 the salary of a district judge ~~through December 31, 2013~~. The  
6 members of the board shall be considered state employees for  
7 purposes of salary and benefits. The members of the board and  
8 any employees of the board, when required to travel in the  
9 discharge of official duties, shall be paid their actual and  
10 necessary expenses incurred in the performance of duties.

11 Sec. 2. Section 421.1A, subsection 7, Code 2013, is amended  
12 by striking the subsection.

13 Sec. 3. Section 441.21, subsection 3, Code 2013, is amended  
14 to read as follows:

15 3. a. "*Actual value*", "*taxable value*", or "*assessed*  
16 *value*" as used in other sections of the Code in relation to  
17 assessment of property for taxation shall mean the valuations  
18 as determined by this section; however, other provisions of  
19 the Code providing special methods or formulas for assessing  
20 or valuing specified property shall remain in effect, but this  
21 section shall be applicable to the extent consistent with such  
22 provisions. The assessor and department of revenue shall  
23 disclose at the written request of the taxpayer all information  
24 in any formula or method used to determine the actual value of  
25 the taxpayer's property.

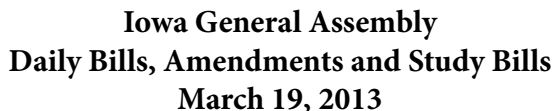
26 b. The burden of proof shall be upon any complainant  
27 attacking such valuation as excessive, inadequate, inequitable,  
28 or capricious; however, in protest or appeal proceedings when  
29 the complainant offers competent evidence by at least two  
30 disinterested witnesses that the market value of the property  
31 is less than the market value determined by the assessor, the  
32 burden of proof thereafter shall be upon the officials or  
33 persons seeking to uphold such valuation to be assessed.

34 Sec. 4. Section 441.37, subsection 1, paragraphs a and b,  
35 Code 2013, are amended to read as follows:

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1     a. Any property owner or aggrieved taxpayer who is  
2 dissatisfied with the owner's or taxpayer's assessment may file  
3 a protest against such assessment with the board of review on  
4 or after April 16, to and including May 5, of the year of the  
5 assessment. In any county which has been declared to be a  
6 disaster area by proper federal authorities after March 1 and  
7 prior to May 20 of said year of assessment, the board of review  
8 shall be authorized to remain in session until June 15 and the  
9 time for filing a protest shall be extended to and include the  
10 period from May 25 to June 5 of such year. ~~Said~~ The protest  
11 shall be in writing and signed by the one protesting or by the  
12 protester's duly authorized agent. The taxpayer may have an  
13 oral hearing ~~thereon~~ on the protest if request ~~therefor~~ for the  
14 oral hearing is made in writing ~~is made~~ at the time of filing  
15 the protest. ~~Said~~ The protest must be confined to one or more  
16 of the following grounds:

20 (a) That said assessment is not equitable as compared with  
21 assessments of other like property in the ~~taxing district~~  
22 assessing jurisdiction. When this ground is relied upon ~~as the~~  
23 ~~basis of a protest the legal description and assessments of a~~  
24 ~~representative number of comparable properties, as described~~  
25 ~~by the aggrieved taxpayer shall be listed on the protest,~~  
26 ~~otherwise said protest shall not be considered on this ground~~  
27 consideration shall be given to whether the other like property  
28 in the assessing jurisdiction was appraised using a different  
29 appraisal methodology than the methodology used to appraise the  
30 property that is the subject of the protest.

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1 ~~considers a~~ fair assessment shall be stated.

2     ~~(3)~~ (c) That the property is not assessable, is exempt  
3 from taxes, or is misclassified and stating the reasons for the  
4 protest.

5     ~~(4)~~ (d) That there is an error in the assessment and state  
6 the specific alleged error. When this ground is relied upon,  
7 it may include but is not limited to listing errors, clerical  
8 or mathematical errors, or other errors that result in an error  
9 in the assessment.

10     ~~(5)~~ (e) That there is fraud in the assessment which shall  
11 be specifically stated.

12     (2) For even-numbered assessment years for properties  
13 having no change in assessment from the previous assessment  
14 year, that there has been a decrease in actual value from the  
15 previous assessment year. When this ground is relied upon,  
16 the protesting party shall provide specific evidence that the  
17 market value of the property is less than the actual value of  
18 the property as determined by the assessor for that assessment  
19 year. Such protest shall be made under the provisions of  
20 section 441.35, subsection 2, but in the same manner and upon  
21 the same terms as described in this section.

22     ~~b. In addition to the above, the property owner may protest~~  
23 ~~annually to the board of review under the provisions of section~~  
24 ~~441.35, but such protest shall be in the same manner and upon~~  
25 ~~the same terms as heretofore prescribed in this section. The~~  
26 burden of proof for all protests filed under this section shall  
27 be as stated in section 441.21, subsection 3, paragraph "b".

28     Sec. 5. Section 441.37A, subsection 1, paragraph b, Code  
29 2013, is amended to read as follows:

30     b. For an appeal to the property assessment appeal board to  
31 be valid, written notice must be filed by the party appealing  
32 the decision with the secretary of the property assessment  
33 appeal board within twenty days after ~~the date the board of~~  
34 ~~review's letter of disposition of the appeal is postmarked to~~  
35 the party making the protest adjournment of the local board

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1 of review or May 31, whichever is later. The written notice  
2 of appeal shall include a petition setting forth the basis of  
3 the appeal and the relief sought. No new grounds in addition  
4 to those set out in the protest to the local board of review  
5 as provided in section 441.37 can be pleaded, but additional  
6 evidence to sustain those grounds may be introduced. The  
7 assessor shall have the same right to appeal to the assessment  
8 appeal board as an individual taxpayer, public body, or other  
9 public officer as provided in section 441.42. An appeal to the  
10 board is a contested case under chapter 17A.

11 Sec. 6. Section 441.37A, subsection 2, paragraph a, Code  
12 2013, is amended to read as follows:

13 a. A party to the appeal may request a hearing or the appeal  
14 may proceed without a hearing. If a hearing is requested,  
15 the appellant and the local board of review from which the  
16 appeal is taken shall be given at least thirty days' written  
17 notice by the property assessment appeal board of the date  
18 the appeal shall be heard and the local board of review may  
19 be present and participate at such hearing. Notice to all  
20 affected taxing districts shall be deemed to have been given  
21 when written notice is provided to the local board of review.  
22 The requirement of thirty days' written notice may be waived  
23 by mutual agreement of all parties to the appeal. Failure by  
24 the appellant to appear at the property assessment appeal board  
25 hearing shall be grounds for dismissal of the appeal unless  
26 a continuance is granted to the appellant. If an appeal is  
27 dismissed for failure to appear, the property assessment appeal  
28 board shall have no jurisdiction to consider any subsequent  
29 appeal on the appellant's protest.

30 Sec. 7. Section 441.37A, subsection 3, paragraph a, Code  
31 2013, is amended to read as follows:

32 a. The board member considering the appeal shall determine  
33 anew all questions arising before the local board of review  
34 which relate to the liability of the property to assessment or  
35 the amount thereof. All of the evidence shall be considered

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1 and there shall be no presumption as to the correctness of the  
2 valuation of assessment appealed from. The burden of proof  
3 for all appeals before the board shall be as stated in section  
4 441.21, subsection 3, paragraph "b". The property assessment  
5 appeal board shall make a decision in each appeal filed with  
6 the board. If the appeal is considered by less than a majority  
7 of the board, the determination made by that member shall  
8 be forwarded to the full board for approval, rejection, or  
9 modification. If the initial determination is rejected by the  
10 board, it shall be returned for reconsideration to the board  
11 member making the initial determination. Any deliberation  
12 of the board regarding an initial determination shall be  
13 confidential.

14 Sec. 8. REPEAL. 2005 Iowa Acts, chapter 150, section 134,  
15 is repealed.

16 Sec. 9. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
17 immediate importance, takes effect upon enactment.

18 Sec. 10. APPLICABILITY. The following provisions of this  
19 Act apply to assessment years beginning on or after January 1,  
20 2014:

21 1. The section of this Act amending section 441.37.

22 2. The sections of this Act amending section 441.37A.

23 EXPLANATION

24 This bill relates to the protest and appeal of property  
25 assessments.

26 The bill amends provisions relating to the grounds upon  
27 which a property assessment protest may be brought under Code  
28 section 441.37. The bill specifies the grounds for protest  
29 in an odd-numbered assessment year (reassessment year), the  
30 grounds for protest in an even-numbered assessment year for  
31 those properties having a change in actual value from the  
32 previous assessment year, and the grounds for protest in an  
33 even-numbered assessment year for those properties having no  
34 change in actual value from the previous assessment year.

35 Under current law, for an appeal to the property assessment



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1 appeal board to be valid, written notice must be filed by the  
2 party appealing the decision with the secretary of the property  
3 assessment appeal board within 20 days after the date the  
4 local board of review's letter of disposition of the appeal is  
5 postmarked to the party making the protest. The bill changes  
6 the deadline for filing a valid appeal to within 20 days after  
7 the date of adjournment of the local board of review or May 31,  
8 whichever is later.

9 Current Code section 441.37A provides that if a hearing is  
10 requested in an appeal before the property assessment appeal  
11 board, the appellant and the local board of review from which  
12 the appeal is taken must be given at least 30 days' written  
13 notice by the property assessment appeal board of the date the  
14 appeal shall be heard. The bill provides that the requirement  
15 of 30 days' written notice may be waived by mutual agreement  
16 of all parties to the appeal.

17 The bill specifies that the burden of proof in protests  
18 to the local board of review or in appeals to the property  
19 assessment appeal board shall be as provided in current Code  
20 section 441.21(3). Current Code section 441.21(3) states that  
21 the burden of proof shall be upon any complainant attacking the  
22 valuation as excessive, inadequate, inequitable, or capricious;  
23 however, in protest or appeal proceedings when the complainant  
24 offers competent evidence by at least two disinterested  
25 witnesses that the market value of the property is less than  
26 the market value determined by the assessor, the burden of  
27 proof thereafter shall be upon the officials or persons seeking  
28 to uphold such valuation to be assessed.

29 The bill repeals 2005 Iowa Acts, chapter 150, section 134,  
30 which provided for the repeal of the property assessment appeal  
31 board on July 1, 2013, and makes a corresponding change related  
32 to the salary to be paid to members of the property assessment  
33 appeal board. The bill also strikes provisions relating to  
34 the property assessment appeal board review committee that was  
35 established on January 1, 2012, and filed its report with the



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1 general assembly on January 15, 2013.

2 The bill takes effect upon enactment. The sections of  
3 the bill amending Code sections 441.37 and 441.37A apply to  
4 assessment years beginning on or after January 1, 2014.





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House Study Bill 223 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

A BILL FOR

1 An Act relating to the assessment and taxation of  
2 telecommunications company property and including  
3 applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 433.4, Code 2013, is amended to read as  
2 follows:

3 **433.4 Assessment.**

4 1. The director of revenue shall on or before October  
5 31 each year, proceed to find the actual value of the real  
6 property of these companies in this state used by the companies  
7 in the transaction of telegraph and telephone business, taking  
8 into consideration the information obtained from the statements  
9 required, and any further information the director can obtain,  
10 using the same as a means for determining the actual ~~cash~~ value  
11 of the property of these companies within this state. The  
12 director shall also take into consideration the valuation of  
13 all property of these companies, including franchises and the  
14 use of the property in connection with lines outside the state,  
15 and making these deductions as may be necessary on account of  
16 extra value of property outside the state as compared with the  
17 value of property in the state, in order that the actual ~~cash~~  
18 value of the real property of the company within this state  
19 may be ascertained. ~~The assessment shall include all property~~  
20 ~~of every kind and character whatsoever, real, personal, or~~  
21 ~~mixed, used by the companies in the transaction of telegraph~~  
22 ~~and telephone business; and the~~ The property so included in  
23 the assessment shall not be taxed in any other manner than as  
24 provided in this chapter.

25 2. For assessment years beginning on or after January  
26 1, 2014, except as specifically provided in this chapter, a  
27 company's real property shall be subject to assessment and  
28 taxation under this chapter by the director of revenue in  
29 the same manner as property assessed and taxed as commercial  
30 property under chapters 427, 427A, 427B, 428, and 441.

31 Sec. 2. Section 441.21, subsection 5, Code 2013, is amended  
32 to read as follows:

33 5. For valuations established as of January 1, 1979,  
34 commercial property and industrial property, excluding  
35 properties referred to in section 427A.1, subsection 8, shall



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1 be assessed as a percentage of the actual value of each class  
2 of property. The percentage shall be determined for each  
3 class of property by the director of revenue for the state in  
4 accordance with the provisions of this section. For valuations  
5 established as of January 1, 1979, the percentage shall be  
6 the quotient of the dividend and divisor as defined in this  
7 section. The dividend for each class of property shall be the  
8 total actual valuation for each class of property established  
9 for 1978, plus six percent of the amount so determined. The  
10 divisor for each class of property shall be the valuation  
11 for each class of property established for 1978, as reported  
12 by the assessors on the abstracts of assessment for 1978,  
13 plus the amount of value added to the total actual value by  
14 the revaluation of existing properties in 1979 as equalized  
15 by the director of revenue pursuant to section 441.49. For  
16 valuations established as of January 1, 1979, property valued  
17 by the department of revenue pursuant to chapters 428, ~~433~~,  
18 ~~437~~, and 438 shall be considered as one class of property and  
19 shall be assessed as a percentage of its actual value. The  
20 percentage shall be determined by the director of revenue in  
21 accordance with the provisions of this section. For valuations  
22 established as of January 1, 1979, the percentage shall be  
23 the quotient of the dividend and divisor as defined in this  
24 section. The dividend shall be the total actual valuation  
25 established for 1978 by the department of revenue, plus ten  
26 percent of the amount so determined. The divisor for property  
27 valued by the department of revenue pursuant to chapters 428,  
28 ~~433~~, 437, and 438 shall be the valuation established for 1978,  
29 plus the amount of value added to the total actual value by  
30 the revaluation of the property by the department of revenue  
31 as of January 1, 1979. For valuations established as of  
32 January 1, 1980, commercial property and industrial property,  
33 excluding properties referred to in section 427A.1, subsection  
34 8, shall be assessed at a percentage of the actual value of  
35 each class of property. The percentage shall be determined



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1 for each class of property by the director of revenue for the  
2 state in accordance with the provisions of this section. For  
3 valuations established as of January 1, 1980, the percentage  
4 shall be the quotient of the dividend and divisor as defined in  
5 this section. The dividend for each class of property shall  
6 be the dividend as determined for each class of property for  
7 valuations established as of January 1, 1979, adjusted by the  
8 product obtained by multiplying the percentage determined  
9 for that year by the amount of any additions or deletions to  
10 actual value, excluding those resulting from the revaluation  
11 of existing properties, as reported by the assessors on the  
12 abstracts of assessment for 1979, plus four percent of the  
13 amount so determined. The divisor for each class of property  
14 shall be the total actual value of all such property in 1979,  
15 as equalized by the director of revenue pursuant to section  
16 441.49, plus the amount of value added to the total actual  
17 value by the revaluation of existing properties in 1980. The  
18 director shall utilize information reported on the abstracts of  
19 assessment submitted pursuant to section 441.45 in determining  
20 such percentage. For valuations established as of January 1,  
21 1980, property valued by the department of revenue pursuant  
22 to chapters 428, ~~433~~, 437, and 438 shall be assessed at a  
23 percentage of its actual value. The percentage shall be  
24 determined by the director of revenue in accordance with the  
25 provisions of this section. For valuations established as of  
26 January 1, 1980, the percentage shall be the quotient of the  
27 dividend and divisor as defined in this section. The dividend  
28 shall be the total actual valuation established for 1979 by  
29 the department of revenue, plus eight percent of the amount so  
30 determined. The divisor for property valued by the department  
31 of revenue pursuant to chapters 428, ~~433~~, 437, and 438 shall  
32 be the valuation established for 1979, plus the amount of  
33 value added to the total actual value by the revaluation of  
34 the property by the department of revenue as of January 1,  
35 1980. For valuations established as of January 1, 1981,



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1 and each year thereafter, the percentage of actual value as  
2 equalized by the director of revenue as provided in section  
3 441.49 at which commercial property and industrial property,  
4 excluding properties referred to in section 427A.1, subsection  
5 8, shall be assessed shall be calculated in accordance with  
6 the methods provided herein, except that any references to  
7 six percent in this subsection shall be four percent. For  
8 valuations established as of January 1, 1981, and each year  
9 thereafter, the percentage of actual value at which property  
10 valued by the department of revenue pursuant to chapters 428,  
11 ~~433~~, 437, and 438 shall be assessed shall be calculated in  
12 accordance with the methods provided herein, except that any  
13 references to ten percent in this subsection shall be eight  
14 percent. For valuations established on or after January 1,  
15 2014, property valued by the department of revenue pursuant to  
16 chapter 433 shall be assessed at a percentage of its actual  
17 value. For valuations established for the assessment year  
18 beginning January 1, 2014, the percentage of actual value at  
19 which property valued by the department of revenue pursuant  
20 to chapter 433 shall be assessed shall be eighty percent.  
21 For valuations established for the assessment year beginning  
22 January 1, 2015, and each year thereafter, the percentage of  
23 actual value at which property valued by the department of  
24 revenue pursuant to chapter 433 shall be assessed shall be  
25 sixty percent. Beginning with valuations established as of  
26 January 1, 1979, and each year thereafter, property valued by  
27 the department of revenue pursuant to chapter 434 shall also be  
28 assessed at a percentage of its actual value which percentage  
29 shall be equal to the percentage determined by the director  
30 of revenue for commercial property, industrial property, or  
31 property valued by the department of revenue pursuant to  
32 chapters 428, ~~433~~, 437, and 438, whichever is lowest.  
33 Sec. 3. Section 441.21, subsections 9 and 10, Code 2013, are  
34 amended to read as follows:  
35 9. Not later than November 1, 1979, and November 1 of



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1 each subsequent year, the director shall certify to the  
2 county auditor of each county the percentages of actual  
3 value at which residential property, agricultural property,  
4 commercial property, industrial property, property valued by  
5 the department of revenue under chapter 433, and property  
6 valued by the department of revenue pursuant to chapters 428,  
7 ~~433,~~ 434, 437, and 438 in each assessing jurisdiction in the  
8 county shall be assessed for taxation. The county auditor  
9 shall proceed to determine the assessed values of agricultural  
10 property, residential property, commercial property, industrial  
11 property, property valued by the department of revenue under  
12 chapter 433, and property valued by the department of revenue  
13 pursuant to chapters 428, ~~433,~~ 434, 437, and 438 by applying  
14 such percentages to the current actual value of such property,  
15 as reported to the county auditor by the assessor, and the  
16 assessed values so determined shall be the taxable values of  
17 such properties upon which the levy shall be made.

18 10. The percentage of actual value computed by the director  
19 for agricultural property, residential property, commercial  
20 property, industrial property, property valued by the  
21 department of revenue under chapter 433, and property valued by  
22 the department of revenue pursuant to chapters 428, ~~433,~~ 434,  
23 437, and 438 and used to determine assessed values of those  
24 classes of property does not constitute a rule as defined in  
25 section 17A.2, subsection 11.

26 Sec. 4. Section 476.1D, subsection 10, Code 2013, is amended  
27 by striking the subsection.

28 Sec. 5. APPLICABILITY. This Act applies to assessment years  
29 beginning on or after January 1, 2014.

30 EXPLANATION

31 This bill relates to the manner in which the property of  
32 telecommunications companies is assessed and taxed.

33 Current Code section 433.4 requires the director of  
34 revenue to value for property tax purposes all property of  
35 the telephone and telegraph companies used in the transaction



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1 of telegraph and telephone business in this state, including  
2 real, personal, or mixed property. The bill provides that  
3 for assessment years beginning on or after January 1, 2014,  
4 only the real property of telegraph and telephone companies is  
5 subject to valuation and taxation and that such property shall  
6 be subject to assessment and taxation under Code chapter 433 by  
7 the director of revenue in the same manner as property assessed  
8 and taxed as commercial property.

9 The bill strikes a provision in Code section 476.1D that  
10 allowed certain specified long-distance telephone company  
11 property to be assessed for taxation as commercial property by  
12 the local assessor.

13 The bill also provides that for valuations established on  
14 or after January 1, 2014, property valued by the department of  
15 revenue pursuant to Code chapter 433 shall be assessed at a  
16 percentage of its actual value. For valuations established for  
17 the assessment year beginning January 1, 2014, the percentage  
18 of actual value at which property valued by the department of  
19 revenue pursuant to Code chapter 433 shall be assessed shall be  
20 80 percent. For valuations established for the assessment year  
21 beginning January 1, 2015, and subsequent assessment years,  
22 the percentage of actual value at which property valued by the  
23 department of revenue pursuant to Code chapter 433 shall be  
24 assessed shall be 60 percent.

25 The bill applies to assessment years beginning on or after  
26 January 1, 2014.



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House Study Bill 224 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

A BILL FOR

1 An Act exempting from the computation of net income for the  
2 individual state income tax all governmental or other  
3 pension or retirement pay, and including effective date and  
4 retroactive applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 422.7, subsection 31, Code 2013, is  
2 amended to read as follows:  
3 31. ~~For a person who is disabled, or is fifty-five years of~~  
4 ~~age or older, or is the surviving spouse of an individual or~~  
5 ~~a survivor having an insurable interest in an individual who~~  
6 ~~would have qualified for the exemption under this subsection~~  
7 ~~for the tax year, subtract~~ Subtract, to the extent included,  
8 the total amount of a governmental or other pension or  
9 retirement pay, including, but not limited to, defined benefit  
10 or defined contribution plans, annuities, individual retirement  
11 accounts, plans maintained or contributed to by an employer,  
12 or maintained or contributed to by a self-employed person as  
13 an employer, and deferred compensation plans or any earnings  
14 attributable to the deferred compensation plans, ~~up to a~~  
15 ~~maximum of six thousand dollars for a person, other than a~~  
16 ~~husband or wife, who files a separate state income tax return~~  
17 ~~and up to a maximum of twelve thousand dollars for a husband~~  
18 ~~and wife who file a joint state income tax return. However, a~~  
19 ~~surviving spouse who is not disabled or fifty-five years of age~~  
20 ~~or older can only exclude the amount of pension or retirement~~  
21 ~~pay received as a result of the death of the other spouse. A~~  
22 ~~husband and wife filing separate state income tax returns or~~  
23 ~~separately on a combined state return are allowed a combined~~  
24 ~~maximum exclusion under this subsection of up to twelve~~  
25 ~~thousand dollars. The twelve thousand dollar exclusion shall~~  
26 ~~be allocated to the husband or wife in the proportion that each~~  
27 ~~spouse's respective pension and retirement pay received bears~~  
28 ~~to total combined pension and retirement pay received.~~  
29 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
30 immediate importance, takes effect upon enactment.  
31 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies  
32 retroactively to January 1, 2013, for tax years beginning on  
33 or after that date.

34 EXPLANATION

35 This bill exempts all governmental or other pension or

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1 retirement pay from the individual income tax. "Governmental  
2 or other pension or retirement pay" includes but is not limited  
3 to defined benefit or defined contribution plans, annuities,  
4 individual retirement accounts, plans maintained or contributed  
5 to by an employer, or maintained or contributed to by a  
6 self-employed person as an employer, and deferred compensation  
7 plans or any earnings attributable to the deferred compensation  
8 plans.

9 The bill takes effect upon enactment, and applies  
10 retroactively to tax years beginning on or after January 1,  
11 2013.



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House Study Bill 225 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

A BILL FOR

1 An Act relating to the school tuition organization tax credit  
2 by allowing the tax credit for contributions made by  
3 certain entities, increasing the amount of total approved  
4 tax credits, and including effective date and retroactive  
5 applicability provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 422.11S, Code 2013, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 4A. An individual may claim the tax  
4 credit allowed a partnership, limited liability company, S  
5 corporation, estate, or trust electing to have the income  
6 taxed directly to the individual. The amount claimed by the  
7 individual shall be based upon the pro rata share of the  
8 individual's earnings of the partnership, limited liability  
9 company, S corporation, estate, or trust.

10 Sec. 2. Section 422.11S, subsection 7, paragraph a,  
11 subparagraph (2), Code 2013, is amended to read as follows:

12 (2) *"Total approved tax credits"* means for the tax year  
13 beginning in the 2006 calendar year, two million five hundred  
14 thousand dollars, for the tax year beginning in the 2007  
15 calendar year, five million dollars, and for tax years  
16 beginning on or after January 1, 2008, but before January 1,  
17 2012, seven million five hundred thousand dollars. ~~However,~~  
18 for tax years beginning on or after January 1, 2012, ~~"total~~  
19 ~~approved tax credits"~~ means but before January 1, 2014, eight  
20 million seven hundred fifty thousand dollars, and for tax years  
21 beginning on or after January 1, 2014, twelve million dollars.

22 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
23 immediate importance, takes effect upon enactment.

24 Sec. 4. RETROACTIVE APPLICABILITY. The section of this Act  
25 enacting section 422.11S, subsection 4A, applies retroactively  
26 to January 1, 2013, for tax years beginning on or after that  
27 date.

28 EXPLANATION

29 This bill amends the school tuition organization tax  
30 credit to allow a contribution made by a partnership, limited  
31 liability company, S corporation, estate, or trust electing to  
32 have the income taxed directly to the individual to qualify for  
33 the tax credit. The amount claimed by the individual shall  
34 be based upon the pro rata share of the individual's earnings  
35 of the partnership, limited liability company, S corporation,

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1 estate, or trust. This provision of the bill applies  
2 retroactively to January 1, 2013, for tax years beginning on  
3 or after that date.

4 The bill also increases the total approved tax credits per  
5 year to \$12 million from \$8.75 million for tax years beginning  
6 on or after January 1, 2014.

7 The school tuition organization tax credit is an income  
8 tax credit allowed for voluntary contributions to certain  
9 private nonprofit school tuition organizations that award  
10 tuition scholarships to eligible students to attend accredited  
11 nonpublic elementary or secondary schools in this state.

12 The bill takes effect upon enactment.



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House Study Bill 226 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

A BILL FOR

1 An Act relating to the collection of sales and use tax in this  
2 state, including retailers maintaining a place of business  
3 in this state, agreements relating to the collection of  
4 sales and use taxes, sales of tangible personal property and  
5 services to the state, related reporting requirements, and  
6 the transfer of certain sales and use tax revenues to the  
7 taxpayers trust fund.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 423.1, subsection 48, Code 2013, is  
2 amended to read as follows:

3 48. a. "Retailer maintaining a place of business in this  
4 state" or any like term includes any retailer having or  
5 maintaining within this state, directly or by a subsidiary,  
6 an office, distribution house, sales house, warehouse, or  
7 other place of business, or any representative operating  
8 within this state under the authority of the retailer or its  
9 subsidiary, irrespective of whether that place of business or  
10 representative is located here permanently or temporarily, or  
11 whether the retailer or subsidiary is admitted to do business  
12 within this state pursuant to chapter 490.

13 b. (1) A retailer shall be presumed to be maintaining a  
14 place of business in this state, as defined in paragraph "a", if  
15 any person that has substantial nexus in this state, other than  
16 a person acting in its capacity as a common carrier, does any  
17 of the following:

18 (a) Sells a similar line of products as the retailer and  
19 does so under the same or similar business name.

20 (b) Maintains an office, distribution facility, warehouse,  
21 storage place, or similar place of business in this state to  
22 facilitate the delivery of property or services sold by the  
23 retailer to the retailer's customers.

24 (c) Uses trademarks, service marks, or trade names in this  
25 state that are the same or substantially similar to those used  
26 by the retailer.

27 (d) Delivers, installs, assembles, or performs maintenance  
28 services for the retailer's customers.

29 (e) Facilitates the retailer's delivery of property to  
30 customers in this state by allowing the retailer's customers to  
31 take delivery of property sold by the retailer at an office,  
32 distribution facility, warehouse, storage place, or similar  
33 place of business maintained by the person in this state.

34 (f) Conducts any other activities in this state that  
35 are significantly associated with the retailer's ability

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1 to establish and maintain a market in this state for the  
2 retailer's sales.

3 (2) The presumption established in this paragraph may be  
4 rebutted by a showing of proof that the person's activities in  
5 this state are not significantly associated with the retailer's  
6 ability to establish or maintain a market in this state for the  
7 retailer's sales.

8 Sec. 2. Section 423.2, subsection 11, paragraph b, Code  
9 2013, is amended by adding the following new subparagraph:

10 NEW SUBPARAGRAPH. (6) Transfer to the taxpayers trust fund  
11 created in section 8.57E that portion of the sales tax revenue  
12 specified in section 423.36, subsection 9, that remains after  
13 the other transfers required under this paragraph "b".

14 Sec. 3. NEW SECTION. 423.13A Administration —  
15 effectiveness of agreements with retailers.

16 1. Notwithstanding any provision of this chapter to the  
17 contrary, any ruling, agreement, or contract, whether written  
18 or oral, express or implied, entered into after the effective  
19 date of this Act between a retailer and a state agency that  
20 provides that a retailer is not required to collect sales and  
21 use tax in this state despite the presence in this state of  
22 a warehouse, distribution center, or fulfillment center that  
23 is owned and operated by the retailer or an affiliate of the  
24 retailer shall be null and void unless such ruling, agreement,  
25 or contract is approved, by resolution, by a majority vote of  
26 each house of the general assembly.

27 2. For purposes of this section, "*state agency*" means  
28 the executive branch, including any executive department,  
29 commission, board, institution, division, bureau, office,  
30 agency, or other entity of state government. "*State agency*"  
31 does not mean the general assembly, or the judicial branch as  
32 provided in section 602.1102.

33 Sec. 4. Section 423.36, Code 2013, is amended by adding the  
34 following new subsections:

35 NEW SUBSECTION. 1A. a. Notwithstanding subsection 1,

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1 if any person will make taxable sales of tangible personal  
2 property or furnish services to any state agency, that person  
3 shall, prior to the sale, apply for and receive a permit  
4 to collect sales or use tax pursuant to this section. A  
5 state agency shall not purchase tangible personal property  
6 or services from any person unless that person has a valid,  
7 unexpired permit issued pursuant to this section and is in  
8 compliance with all other requirements in this chapter imposed  
9 upon retailers, including but not limited to the requirement to  
10 collect and remit sales and use tax and file sales and use tax  
11 returns.

12     *b.* For purposes of this subsection, "state agency" means  
13 any executive, judicial, or legislative department, commission,  
14 board, institution, division, bureau, office, agency, or other  
15 entity of state government.

16     NEW SUBSECTION. 9. For all permits issued on or after the  
17 effective date of this Act except permits issued pursuant to  
18 subsection 8, the department shall determine whether or not the  
19 applicant's requirement to obtain the permit arose exclusively  
20 from an activity described in section 423.1, subsection 48,  
21 paragraph "b". In those cases where the permit requirement  
22 did arise exclusively from such activity, the department shall  
23 transfer all sales or use tax revenues collected and remitted  
24 by the permit holder that relate to the permit to the taxpayers  
25 trust fund created in section 8.57E, as provided in section  
26 423.2, subsection 11, paragraph "b", and section 423.43,  
27 subsection 1, paragraph "b".

28     Sec. 5. Section 423.43, subsection 1, paragraph b, Code  
29 2013, is amended to read as follows:

30     *b.* Subsequent to the deposit into the general fund of the  
31 state ~~and after the transfer of such~~ department shall do the  
32 following in the order prescribed:

33         (1) Transfer the revenues collected under chapter 423B, the  
34 department shall transfer .

35         (2) Transfer one-sixth of such remaining revenues to the

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1 secure an advanced vision for education fund created in section  
2 423F.2. This ~~paragraph~~ subparagraph is repealed December 31,  
3 2029.

4 (3) Transfer to the taxpayers trust fund created in section  
5 8.57E that portion of the use tax revenue specified in section  
6 423.36, subsection 9, that remains after the other transfers  
7 required under this paragraph "b".

8 Sec. 6. SALES AND USE TAX REPORT.

9 1. Not later than sixteen months after the occurrence  
10 of both the enactment of a federal law authorizing states to  
11 impose a sales and use tax collection requirement on remote  
12 sellers and the exercise of that authority by this state, the  
13 department of revenue shall issue a report to the general  
14 assembly containing data and information on the following:

15 a. The amount of sales and use tax collected in this state  
16 from remote sellers for the twelve-month period beginning on  
17 the date such collection requirement was first imposed in this  
18 state.

19 b. An estimate of the projected sales and use tax revenue  
20 that will be collected from remote sellers for the fiscal year  
21 beginning July 1 following the date such collection requirement  
22 was first imposed in this state, and for four fiscal years  
23 thereafter.

24 c. An estimate of the sales and use tax rate that will be  
25 necessary for this state to maintain for future fiscal years an  
26 amount of sales and use tax revenue equal to the average sales  
27 and use tax revenue of this state for the five fiscal years  
28 prior to the fiscal year in which this state first imposed a  
29 collection requirement on remote sellers.

30 d. Any other information deemed necessary by the department  
31 of revenue.

32 2. For purposes of this section, "remote seller" means  
33 a seller who would not have a sales or use tax collection  
34 obligation in this state but for the authorization under  
35 federal law for this state to require such seller to collect



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1 sales or use tax. "Remote seller" does not include a seller  
2 who voluntarily registered under the streamlined sales and use  
3 tax agreement before the date of enactment of a federal law  
4 authorizing states to impose a sales and use tax collection  
5 obligation on remote sellers.

6 EXPLANATION

7 This bill relates to the collection of sales and use taxes in  
8 this state, including retailers maintaining a place of business  
9 in this state, agreements relating to the collection of sales  
10 and use taxes, sales of tangible personal property and services  
11 to state agencies, related reporting requirements, and the  
12 transfer of certain sales and use tax revenues to the taxpayers  
13 trust fund.

14 A retailer located in this state, or maintaining a place of  
15 business in this state, must collect and remit sales and use  
16 taxes to the department of revenue. Currently, as defined in  
17 Code section 423.1, the term "retailer maintaining a place of  
18 business in this state" includes certain places of business,  
19 and representatives operating under the authority of the  
20 retailer.

21 The bill provides that a retailer will be presumed to be  
22 maintaining a place of business in this state if any person  
23 that has substantial nexus in this state, other than a common  
24 carrier, engages in any of six activities specified in the  
25 bill. The presumption may be rebutted by a showing of proof  
26 that the person's activities are not significantly associated  
27 with the retailer's ability to establish or maintain a market  
28 in this state for the retailer's sales.

29 The bill provides that for all sales and use tax permits  
30 issued on or after the effective date of the bill, the  
31 department of revenue shall determine whether or not the permit  
32 requirement arose exclusively from one of the six activities  
33 specified in the bill. If such permit requirement did arise  
34 exclusively from one of the activities, the department of  
35 revenue shall transfer all sales or use tax revenues collected



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1 and remitted by the permit holder and that relate to the permit  
2 to the taxpayers trust fund created in Code section 8.57E,  
3 after various other transfers already required in the Code.

4 The bill provides that any ruling, agreement, or contract  
5 entered into after the effective date of the bill between a  
6 retailer and a state agency that provides that a retailer is  
7 not required to collect sales and use tax in this state despite  
8 the presence in this state of a warehouse, distribution center,  
9 or fulfillment center owned and operated by the retailer or  
10 an affiliate shall be null and void unless it is specifically  
11 approved, by resolution, by a majority vote of each house of  
12 the general assembly. For purposes of this provision of the  
13 bill, "state agency" does not include the general assembly or  
14 the judicial branch.

15 The bill provides that a person shall not make taxable sales  
16 or furnish taxable services to a state agency unless that  
17 person obtains a sales or use tax permit. Also, the state is  
18 prohibited from purchasing taxable property or services from  
19 any person unless that person has a valid, unexpired sales or  
20 use tax permit and is in compliance with all other sales and  
21 use tax laws imposed upon retailers. For purposes of this  
22 provision of the bill, "state agency" includes the executive  
23 branch, the general assembly, and the judicial branch.

24 The bill requires the department of revenue to file a report  
25 with the general assembly not later than 16 months after the  
26 occurrence of both the enactment of a federal law authorizing  
27 the state to require remote sellers to collect sales and use  
28 tax and the exercise of that authority by the state. The  
29 report shall contain various data and information as specified  
30 in the bill relating to the amount of sales and use tax  
31 collected from remote sellers, estimates of future sales and  
32 use tax collections from remote sellers, and an estimate of  
33 the sales and use tax rate necessary to maintain for future  
34 fiscal years the average amount of sales and use tax collected  
35 before the state first imposed a collection requirement on



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1 remote sellers. "Remote seller" is defined as a seller that  
2 would not have a sales or use tax collection requirement in  
3 this state but for the ability of this state to require the  
4 seller to collect sales or use tax under federal law, but does  
5 not include any seller that voluntarily registered under the  
6 streamlined sales and use tax agreement prior to the enactment  
7 of such federal law.



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House Study Bill 227 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

A BILL FOR

1 An Act relating to the sales tax exemption for certain  
2 wastewater treatment or effluent treatment services.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 423.3, subsection 32, paragraph c, Code  
2 2013, is amended to read as follows:

3 c. The sale or furnishing of sewage service for  
4 nonresidential commercial operations, except for water  
5 treatment or effluent treatment services to a paper recycling  
6 mill.

7 EXPLANATION

8 This bill relates to the sales tax exemption for certain  
9 wastewater treatment or effluent treatment services.

10 Currently, the sales price of tangible personal property  
11 sold, or of services furnished, by a county or city are exempt  
12 from sales tax with four listed exceptions to exemption. One  
13 of the exceptions is for the sale or furnishing of sewage  
14 service for nonresidential commercial operations. The bill  
15 excludes from the exception water treatment or effluent  
16 treatment services to a paper recycling mill which makes such  
17 services exempt from sales tax.



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House Study Bill 228 - Introduced

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
REVENUE BILL)

A BILL FOR

1 An Act relating to the policy administration of the tax and  
2 related laws and related programs by the department of  
3 revenue, including administration of income taxes, sales  
4 and use taxes, the orderly wind-up and eventual repeal of  
5 the Iowa fund of funds program, the replacement taxes task  
6 force, a study report related to administrative appeals  
7 processes for tax matters, and including effective date and  
8 retroactive applicability provisions.  
9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 DIVISION I

2 INCOME TAXES

3 Section 1. Section 2.48, subsection 3, paragraph c,  
4 subparagraph (4), Code 2013, is amended by striking the  
5 subparagraph.

6 Sec. 2. Section 2.48, subsection 3, paragraph e,  
7 subparagraph (5), Code 2013, is amended by striking the  
8 subparagraph.

9 Sec. 3. Section 15.119, subsection 2, paragraph c, Code  
10 2013, is amended by striking the paragraph.

11 Sec. 4. Section 422.5, subsection 1, paragraph j,  
12 subparagraph (2), subparagraph division (a), Code 2013, is  
13 amended to read as follows:

14 (a) The tax imposed upon the taxable income of a resident  
15 shareholder in an S corporation or of an estate or trust with  
16 a situs in Iowa that is a shareholder in an S corporation,  
17 which S corporation has in effect for the tax year an election  
18 under subchapter S of the Internal Revenue Code and carries  
19 on business within and without the state, may be computed by  
20 reducing the amount determined pursuant to paragraphs "a"  
21 through "i" by the amounts of nonrefundable credits under  
22 this division and by multiplying this resulting amount by a  
23 fraction of which the resident's or estate's or trust's net  
24 income allocated to Iowa, as determined in section 422.8,  
25 subsection 2, paragraph "b", is the numerator and the resident's  
26 or estate's or trust's total net income computed under section  
27 422.7 is the denominator. If a resident shareholder, or an  
28 estate or trust with a situs in Iowa that is a shareholder,  
29 has elected to take advantage of this subparagraph (2), and  
30 for the next tax year elects not to take advantage of this  
31 subparagraph, the resident or estate or trust shareholder shall  
32 not reelect to take advantage of this subparagraph for the  
33 three tax years immediately following the first tax year for  
34 which the shareholder elected not to take advantage of this  
35 subparagraph, unless the director consents to the reelection.

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1 This subparagraph also applies to individuals who are residents  
2 of Iowa for less than the entire tax year.

3 Sec. 5. Section 422.8, subsection 2, paragraph b,  
4 unnumbered paragraph 1, Code 2013, is amended to read as  
5 follows:

6 A resident's income, or the income of an estate or trust with  
7 a situs in Iowa, allocable to Iowa is the income determined  
8 under section 422.7 reduced by items of income and expenses  
9 from an S corporation that carries on business within and  
10 without the state when those items of income and expenses pass  
11 directly to the shareholders under provisions of the Internal  
12 Revenue Code. These items of income and expenses are increased  
13 by the greater of the following:

14 Sec. 6. Section 422.15, subsection 2, Code 2013, is amended  
15 to read as follows:

16 2. Every partnership, including limited partnerships  
17 ~~organized under chapter 488, having a place of business in~~  
18 ~~the state, doing business in this state, or deriving income~~  
19 ~~from sources within this state as defined in section 422.33,~~  
20 ~~subsection 1,~~ shall make a return, stating specifically the net  
21 income and capital gains (or losses) reported on the federal  
22 partnership return, the names and addresses of the partners,  
23 and their respective shares in said amounts.

24 Sec. 7. Section 422.33, subsections 9 and 27, Code 2013, are  
25 amended by striking the subsections.

26 Sec. 8. REPEAL. Sections 16.211, 16.212, and 422.11X, Code  
27 2013, are repealed.

28 Sec. 9. EFFECTIVE UPON ENACTMENT. This division of this  
29 Act, being deemed of immediate importance, takes effect upon  
30 enactment.

31 Sec. 10. RETROACTIVE APPLICABILITY. The following  
32 provision or provisions of this division of this Act apply  
33 retroactively to January 1, 2013, for tax years beginning on  
34 or after that date:

35 1. The section of this division of this Act amending section



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1 422.5.

2 2. The section of this division of this Act amending section  
3 422.8.

4 3. The section of this division of this Act amending section  
5 422.15.

6

DIVISION II

7

SALES AND USE TAXES

8 Sec. 11. Section 421.26, Code 2013, is amended to read as  
9 follows:

10 **421.26 Personal liability for tax due.**

11 If a licensee or other person under section 452A.65, a  
12 retailer or purchaser under chapter 423A, 423B, or 423E, or  
13 section 423.31 or 423.33, or a retailer or purchaser under  
14 section 423.32, a user under section 423.34, or a permit holder  
15 or licensee under section 453A.13, 453A.16, or 453A.44 fails  
16 to pay a tax under those sections when due or is subject  
17 to repayment of a sales and use tax refund received under  
18 section 15.331A, an officer of a corporation or association,  
19 notwithstanding section 489.304, a member or manager of a  
20 limited liability company, or a partner of a partnership,  
21 having control or supervision of or the authority for remitting  
22 the tax payments or receiving sales and use tax refunds  
23 and having a substantial legal or equitable interest in the  
24 ownership of the corporation, association, limited liability  
25 company, or partnership, who has intentionally failed to pay  
26 the tax or whose corporation, association, limited liability  
27 company, or partnership is subject to repayment of a sales and  
28 use tax refund received under section 15.331A, is personally  
29 liable for the payment of the tax, interest, and penalty due  
30 and unpaid or repayment of the sales and use tax refund.  
31 However, this section shall not apply to taxes on accounts  
32 receivable. The dissolution of a corporation, association,  
33 limited liability company, or partnership shall not discharge a  
34 person's liability for failure to remit the tax due or repay a  
35 sales and use tax refund.



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1     Sec. 12. Section 423.3, subsection 47, paragraph a,  
2 unnumbered paragraph 1, Code 2013, is amended to read as  
3 follows:

4     The sales price from the sale or rental of computers,  
5 machinery, and equipment, including replacement parts and  
6 consumable supplies, and materials used to construct or  
7 self-construct computers, machinery, and equipment if such  
8 items are any of the following:

9     Sec. 13. Section 423.3, subsection 47, paragraph c, Code  
10 2013, is amended by adding the following new subparagraph:

11     NEW SUBPARAGRAPH. (5) Machinery and equipment, including  
12 replacement parts, and materials used to construct or  
13 self-construct computers, machinery, and equipment if such  
14 items are used at a location that is primarily used to conduct  
15 activities that immediately precede the sale of products  
16 directly to the final consumer. This section shall not  
17 apply to activities that are an integrated step in a larger  
18 manufacturing process.

19     Sec. 14. Section 423.3, subsection 47, paragraph d, Code  
20 2013, is amended by adding the following new subparagraph:

21     NEW SUBPARAGRAPH. (02) "*Consumable supplies*" means tangible  
22 personal property, other than computers, machinery, equipment,  
23 or raw materials, that is consumed or expended during the  
24 manufacture of other tangible personal property. The term  
25 "*consumable supplies*" includes but is not limited to oils,  
26 greases, hydraulic fluids, coolants, and lubricants.

27     Sec. 15. Section 423.3, subsection 47, paragraph d,  
28 subparagraph (4), Code 2013, is amended to read as follows:

29     (4) "*Manufacturer*" means ~~as defined in section 428.20 a~~  
30 person who purchases, receives, or holds personal property  
31 of any description for the purpose of adding to its value by  
32 a process of manufacturing, refining, purifying, combining  
33 of different materials, or by the packing of meats, with a  
34 view to selling the property for gain or profit, but also  
35 includes contract manufacturers. A contract manufacturer is

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1 a manufacturer that otherwise falls within the definition of  
2 manufacturer ~~under section 428.20~~, except that a contract  
3 manufacturer does not sell the tangible personal property  
4 the contract manufacturer processes on behalf of other  
5 manufacturers. A business engaged in activities subsequent  
6 to the extractive process of quarrying or mining, such as  
7 crushing, washing, sizing, or blending of aggregate materials,  
8 is a manufacturer with respect to these activities. A business  
9 primarily engaged in providing personal or professional  
10 services or primarily engaged in the operation of a retail  
11 outlet, including but not limited to a grocery store, home  
12 improvement store, pharmacy, bakery, or restaurant, is not  
13 considered a manufacturer for purposes of this subsection.

14 Sec. 16. Section 423.3, subsection 47, paragraph d, Code  
15 2013, is amended by adding the following new subparagraph:

16 NEW SUBPARAGRAPH. (7) (a) *"Replacement part"* means  
17 tangible personal property that meets all the following  
18 conditions:

19 (i) The tangible personal property replaces a component of  
20 a computer, machinery, or equipment, which component is capable  
21 of being separated from the computer, machinery, or equipment.

22 (ii) The tangible personal property performs the same or  
23 similar function as the component it replaced.

24 (iii) The tangible personal property restores the computer,  
25 machinery, or equipment to its original operating condition, or  
26 upgrades or improves the efficiency of the computer, machinery,  
27 or equipment.

28 (b) *"Replacement part"* does not include a consumable  
29 supply or a jig, die, tool, or other device that is used in  
30 conjunction with machinery or equipment and that is specially  
31 designed for use in manufacturing specific products and that  
32 may be used interchangeably and intermittently on a particular  
33 machine or piece of equipment.

34 DIVISION III  
35 IOWA FUND OF FUNDS



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1 Sec. 17. Section 15E.62, Code 2013, is amended by adding the  
2 following new subsections:

3 NEW SUBSECTION. 03. "*Creditor*" means a person, including  
4 an assignee of or successor to such person, who extends credit  
5 or makes a loan to the Iowa fund of funds or to a designated  
6 investor, and includes any person who refinances such credit  
7 or loan.

8 NEW SUBSECTION. 04. "*Fund documents*" means all agreements  
9 relating to matters under the purview of this division VII  
10 entered into prior to the effective date of this division of  
11 this Act between or among the state, the Iowa fund of funds, a  
12 fund allocation manager or similar manager, the Iowa capital  
13 investment corporation, the board, a creditor, a designated  
14 investor, and a private seed or venture capital partnership,  
15 and includes other documents having the same force and effect  
16 between or among such parties, as any of the foregoing may be  
17 amended, modified, restated, or replaced from time to time.

18 Sec. 18. Section 15E.65, subsection 2, paragraph h, Code  
19 2013, is amended to read as follows:

20 ~~h. Fifty years after the organization of the Iowa fund~~  
21 ~~of funds~~ As soon as practicable after the effective date  
22 of this division of this Act, the Iowa capital investment  
23 corporation, in conjunction with the department of revenue,  
24 the board, and the attorney general, shall wind up the Iowa  
25 fund of funds pursuant to section 15E.72 and shall cause the  
26 Iowa fund of funds to be liquidated with all of its assets  
27 distributed to its owners in accordance with the provisions of  
28 its organizational documents and in accordance with the fund  
29 documents. In liquidating such assets, the capital investment  
30 corporation, the department of revenue, the board, and the  
31 attorney general shall act with prudence and caution in order  
32 to minimize costs and fees and to preserve investment assets to  
33 the extent reasonably possible.

34 Sec. 19. NEW SECTION. 15E.72 **Program wind-up and future**  
35 **repeal.**



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1     1. *Findings.* The general assembly finds that the Iowa fund  
2 of funds program established pursuant to this division has  
3 not fulfilled the purposes described in section 15E.61 to the  
4 extent necessary to justify the fifty-year timeframe for the  
5 program that was originally envisioned in this division VII and  
6 that an early and orderly wind-up of the program is desirable.

7     2. *Organization of additional funds prohibited.*  
8 Notwithstanding section 15E.65, an Iowa fund of funds shall not  
9 be organized on or after the effective date of this division  
10 of this Act.

11    3. *New investments by the fund of funds prohibited.*  
12 Notwithstanding section 15E.65, the Iowa fund of funds shall  
13 not make new investments in private seed and venture capital  
14 partnerships or entities on or after the effective date of this  
15 division of this Act except as required by the fund documents.

16    4. *New investments by designated investors prohibited.*  
17     a. Except as provided in paragraph "b", and notwithstanding  
18 any other provision in this division VII, a designated investor  
19 shall not invest in the Iowa fund of funds on or after the  
20 effective date of this division of this Act.

21     b. Notwithstanding the prohibition in paragraph "a", a  
22 designated investor may invest in the Iowa fund of funds on or  
23 after the effective date of this division of this Act to the  
24 extent such investment is required by the fund documents. In  
25 addition, the director of revenue, with the approval of the  
26 attorney general, may authorize additional investment in the  
27 Iowa fund of funds but only if such an investment is necessary  
28 to preserve fund assets, repay creditors, pay taxes, or  
29 otherwise effectuate an orderly wind-up of the program pursuant  
30 to this section.

31    5. *Issuance, verification, and redemption of new certificates*  
32 *prohibited.*

33     a. Except as provided in paragraph "b", and notwithstanding  
34 any other provision in this division VII, the board shall not  
35 issue, verify, or redeem a certificate or a related tax credit



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1 on or after the effective date of this division of this Act.

2     **b.** Notwithstanding the prohibition in paragraph “a”, the  
3 board may issue, redeem, or verify a certificate or a related  
4 tax credit under any of the following conditions:

5         (1) The board is required to do so under the terms of the  
6 fund documents.

7         (2) The issuance, redemption, or verification is deemed  
8 necessary by the director of revenue and the attorney general  
9 in order to arrange new financing terms with a creditor.

10        (3) The issuance, redemption, or verification is deemed  
11 necessary by the director of revenue and the attorney general  
12 to preserve fund assets, repay creditors, or otherwise  
13 effectuate an orderly wind-up of the program pursuant to this  
14 section.

15     **6. *New fund allocation managers prohibited.***

16     **a.** Notwithstanding any other provision in this division  
17 VII, the Iowa capital investment corporation shall not have  
18 authority to solicit, select, terminate, or change a fund  
19 allocation manager or similar manager on or after the effective  
20 date of this division of this Act.

21     **b.** On or after the effective date of this division of this  
22 Act, all decisions pertaining to relationships with a fund  
23 allocation manager or similar manager selected prior to the  
24 effective date of this division of this Act shall be made  
25 by the director of revenue with the approval of the attorney  
26 general. This subsection shall not be construed to impair the  
27 terms of the fund documents.

28     **7. *Pledging of certificates prohibited.***

29     **a.** Except as provided in paragraph “b”, and notwithstanding  
30 any other provision of law to the contrary, a certificate and  
31 a related tax credit issued by the board shall not be pledged  
32 by a designated investor as security for a loan on or after the  
33 effective date of this division of this Act.

34     **b.** Notwithstanding the prohibition in paragraph “a”, a  
35 certificate and related tax credit issued by the board may





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1 be pledged by a designated investor as security for a loan  
2 to the extent such pledge is required by the fund documents.  
3 In addition, the board, with the approval of the director of  
4 revenue and the attorney general, may authorize a certificate  
5 and related tax credit to be pledged as security for a loan but  
6 only if such a pledge is necessary to arrange new financing  
7 terms with a creditor or to repay creditors for moneys loaned  
8 to a designated investor.

9 8. *Rural and small business loan guarantees prohibited.*

10 Notwithstanding any other provision in this division VII  
11 to the contrary, the Iowa capital investment corporation  
12 shall not make rural and small business loan guarantees or  
13 otherwise administer a program to provide loan guarantees and  
14 other related credit enhancements on loans to rural and small  
15 business borrowers within the state of Iowa on or after the  
16 effective date of this division of this Act.

17 9. *Iowa capital investment corporation purposes amended.*

18 Notwithstanding section 15E.64, on or after the effective date  
19 of this division of this Act, the purposes of the Iowa capital  
20 investment corporation shall be to comply with its obligations  
21 under the fund documents and to assist the board, the director  
22 of revenue, and the attorney general in effectuating the  
23 orderly wind-up of the Iowa fund of funds. In effectuating  
24 such a wind-up, the Iowa capital investment corporation shall  
25 comply with all reasonable requests by the board, the director  
26 of revenue, the attorney general, or the auditor of state.

27 10. *Use of revolving fund prohibited.*

28 a. Notwithstanding section 15E.65, subsection 2, paragraph  
29 "a", on or after the effective date of this division of this  
30 Act, all investment returns received by the Iowa capital  
31 investment corporation that are in excess of those payable to  
32 designated investors shall be deposited in the general fund of  
33 the state.

34 b. This subsection shall not be construed to impair the  
35 terms of the fund documents. It is the intent of the general



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1 assembly that this subsection only applies in the event that  
2 there are investment returns in excess of those necessary to  
3 repay creditors and designated investors under the terms of the  
4 fund documents.

5 11. *Preservation of existing rights.* This section is not  
6 intended to and shall not limit, modify, or otherwise adversely  
7 affect the fund documents, including any certificate or related  
8 tax credit issued before the effective date of this division  
9 of this Act.

10 12. *Future repeal.* This division VII is repealed upon the  
11 occurrence of one of the following, whichever is earlier:

12 a. The expiration or termination of all fund documents. The  
13 director of revenue shall notify the Iowa Code editor upon the  
14 occurrence of this condition.

15 b. December 31, 2027.

16 Sec. 20. EFFECTIVE UPON ENACTMENT. This division of this  
17 Act, being deemed of immediate importance, takes effect upon  
18 enactment.

19 DIVISION IV

20 REPLACEMENT TAXES

21 Sec. 21. Section 437A.15, subsection 7, paragraph b, Code  
22 2013, is amended to read as follows:

23 b. The task force shall study the effects of the replacement  
24 tax on local taxing authorities, local taxing districts,  
25 consumers, and taxpayers through January 1, ~~2013~~ 2016. If the  
26 task force recommends modifications to the replacement tax that  
27 will further the purposes of tax neutrality for local taxing  
28 authorities, local taxing districts, taxpayers, and consumers,  
29 consistent with the stated purposes of this chapter, the  
30 department of management shall transmit those recommendations  
31 to the general assembly.

32 DIVISION V

33 STUDY REPORT

34 Sec. 22. ADMINISTRATIVE APPEALS PROCESS FOR TAX MATTERS  
35 AND NEW TAX APPEAL BOARD — REPORT. The department of

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1 revenue, in consultation with the department of management  
2 and other interested stakeholders, shall study the  
3 independence, effectiveness, and fairness of the state's  
4 current administrative appeals processes for tax matters and  
5 shall make recommendations for changes, if necessary, and  
6 shall additionally study the desirability, practicality, and  
7 feasibility of replacing components of these processes with  
8 a new consolidated and independent administrative appeals  
9 board for tax matters within the executive branch to resolve  
10 disputes between the department of revenue and taxpayers. The  
11 department of revenue shall prepare and file a report detailing  
12 its findings and recommendations with the chairpersons and  
13 ranking members of the ways and means committees of the senate  
14 and the house of representatives and with the legislative  
15 services agency by January 8, 2014.

16 EXPLANATION

17 This bill relates to the policy administration of the  
18 tax and related laws of the department of revenue, including  
19 the administration of income taxes, sales and use taxes, the  
20 orderly wind-up and eventual repeal of the Iowa fund of funds  
21 program, a study report related to the current administrative  
22 appeals process for tax matters and the possible creation of  
23 a new tax appeal board.

24 DIVISION I — INCOME TAXES. The division amends the  
25 allocation of income provisions in Code sections 422.5 and  
26 422.8 to provide that an estate or trust with a situs in Iowa  
27 that is a shareholder in an S corporation is eligible to claim  
28 the S corporation apportionment credit.

29 The division amends the income tax return filing  
30 requirements for partnerships in Code section 422.15. Under  
31 current law, partnerships are required to file an Iowa return  
32 if they have a place of business in the state. The division  
33 provides that partnerships are required to file an Iowa return  
34 if they are doing business in the state, or are deriving income  
35 from sources within this state. "Income from sources within

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1 this state" means income from real, tangible, or intangible  
2 property located or having a situs in this state.

3 The division repeals the assistive device tax credit  
4 available for the corporate income tax in Code section 422.33  
5 and repeals the disaster recovery housing project tax credit  
6 for the individual and corporate income tax in Code sections  
7 16.211 and 16.212, and makes various conforming amendments to  
8 remove references to these credits throughout the Code.

9 The division takes effect upon enactment and the provisions  
10 amending Code sections 422.5, 422.8, and 422.15 apply  
11 retroactively to January 1, 2013, for tax years beginning on  
12 or after that date.

13 DIVISION II — SALES AND USE TAXES. The division amends Code  
14 section 421.16, which relates to the imposition of personal  
15 liability against officers of corporations or associations,  
16 members or managers of limited liability companies, or partners  
17 of partnerships, for certain taxes if the individual has  
18 control or supervision of or the authority for remitting the  
19 taxes and a substantial equitable interest in the ownership of  
20 the business. The division provides that personal liability  
21 can also be asserted against these individuals for repayment  
22 of a sales and use tax refund received by a business under Code  
23 section 15.331A, which repayment can occur when a business  
24 fails to meet its contractual obligations under the economic  
25 development authority's enterprise zone program or high quality  
26 jobs program.

27 The division makes several amendments to the sales tax  
28 exemption in Code section 423.3(47) for the purchase or rental  
29 of certain items used in processing by a manufacturer. First,  
30 the sales tax exemption is amended to include consumable  
31 supplies. "Consumable supplies" is defined as tangible  
32 personal property that is consumed or expended during the  
33 manufacture of other tangible personal property, and includes  
34 but is not limited to oils, greases, hydraulic fluids,  
35 coolants, and lubricants.

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S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 Second, the sales tax exemption is amended to exclude  
2 machinery and equipment, including replacement parts, and  
3 materials used to self-construct those items, if such items  
4 are used at a location which is primarily used to conduct  
5 activities that immediately precede the sale of products  
6 directly to the final consumer. However, this exclusion does  
7 not apply to activities that are an integrated step in a  
8 larger manufacturing process. Third, the sales tax exemption  
9 adds the language of the definition of "manufacturer" in  
10 Code section 428.20, and strikes the reference to that Code  
11 section. The definition of "manufacturer" is further amended  
12 to exclude a business primarily engaged in providing personal  
13 or professional services or primarily engaged in the operation  
14 of a retail outlet, including but not limited to a grocery  
15 store, home improvement store, pharmacy, bakery, or restaurant.  
16 Finally, "replacement part" is defined for purposes of the  
17 sales tax exemption to mean tangible personal property that  
18 is not a consumable supply, not a jig, die, tool, or other  
19 device that is used in conjunction with machinery or equipment,  
20 and that is specially designed for use in manufacturing  
21 specific products and that may be used interchangeably and  
22 intermittently on a particular machine or piece of equipment,  
23 and which further meets the conditions of being property that  
24 replaces a separate component of a computer, machinery, or  
25 equipment, performs the same function as that component, and  
26 restores or improves the computer, machinery, or equipment.  
27 DIVISION III — IOWA FUND OF FUNDS. The division provides  
28 for an orderly wind-up and eventual repeal of the Iowa fund  
29 of funds program in accordance with the provisions of its  
30 organizational documents and with the terms of the fund  
31 documents. "Fund documents" is defined as all the agreements  
32 entered into prior to the effective date of the division  
33 between or among the state, the Iowa fund of funds, a fund  
34 allocation manager or similar manager, the Iowa capital  
35 investment corporation, the board, a creditor (as defined in

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S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 the division), a designated investor, and a private seed or  
2 venture capital partnership, and includes other documents  
3 having the same force and effect between or among such parties  
4 as any of the foregoing may be amended, modified, restated, or  
5 replaced from time to time. The division creates a new Code  
6 section 15E.72 that will govern the wind-up and repeal.

7 The division prohibits a new Iowa fund of funds from being  
8 organized and prohibits any new investments from being made by  
9 the existing Iowa fund of funds in private seed and venture  
10 capital partnerships or entities except as required by the  
11 fund documents. The division prohibits a new investment by  
12 a designated investor in the Iowa fund of funds unless it is  
13 required by the fund documents or the director of revenue and  
14 attorney general determine such an investment is necessary to  
15 preserve fund assets, repay creditors, pay taxes, or otherwise  
16 effectuate an orderly wind-up of the program. The division  
17 prohibits the Iowa capital investment board from issuing,  
18 redeeming, or verifying a certificate or related tax credit  
19 unless the board is required to do so under the terms of the  
20 fund documents, unless it is deemed necessary by the director  
21 of revenue and the attorney general in order to arrange new  
22 financing with a creditor, or unless it is deemed necessary by  
23 the director of revenue and the attorney general to preserve  
24 fund assets, repay creditors, or otherwise effectuate an  
25 orderly wind-up of the program.

26 The division prohibits the Iowa capital investment  
27 corporation from soliciting, selecting, terminating, or  
28 changing a fund allocation manager or similar manager. All  
29 decisions pertaining to relationships with a fund allocation  
30 manager will now be made by the director of revenue with the  
31 approval of the attorney general.

32 The division prohibits a certificate and related tax credit  
33 from being pledged as security for a loan unless such a pledge  
34 is required by the fund documents or unless the director of  
35 revenue and the attorney general authorize such a pledge to be

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1 made because it is necessary to arrange new financing terms  
2 with a creditor or repay creditors for moneys loaned to a  
3 designated investor.

4 The division prohibits the Iowa capital investment  
5 corporation from making rural and small business loan  
6 guarantees or from otherwise administering a program to provide  
7 such loan guarantees or related credit enhancements on loans to  
8 rural and small business borrowers.

9 The division amends the purposes of the Iowa capital  
10 investment corporation to provide that its purpose shall be  
11 to comply with its obligations under the fund documents and  
12 to assist the Iowa capital investment board, the director of  
13 revenue, and the attorney general in effectuating an orderly  
14 wind-up of the Iowa fund of funds and in doing so shall comply  
15 with all reasonable requests of these entities or the auditor  
16 of state.

17 The division prohibits the Iowa capital investment  
18 corporation from depositing returns in excess of those payable  
19 to designated investors in a revolving fund and instead  
20 mandates that those amounts be deposited in the general fund of  
21 the state. This requirement shall not be construed to impair  
22 the terms of the fund documents.

23 The division provides that new Code section 15E.72 is not  
24 intended to and shall not limit, modify, or otherwise adversely  
25 affect the fund documents, including certificates and related  
26 tax credits issued before the effective date of the division.

27 Finally, the division provides that the Iowa fund of funds is  
28 repealed upon the earlier of December 31, 2027, or the date all  
29 fund documents expire.

30 The division takes effect upon enactment.

31 DIVISION IV — REPLACEMENT TAXES. The division extends  
32 through January 1, 2016, the replacement tax task force which  
33 expired on January 1, 2013.

34 DIVISION V — STUDY REPORT. The division establishes a  
35 report to be prepared and filed by the department of revenue.



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S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

1 The department of revenue, in consultation with the department  
2 of management and other interested stakeholders, shall study  
3 the current administrative appeals processes for tax matters  
4 and make recommendations for changes if necessary, and also  
5 study the possibility of creating a new consolidated tax  
6 appeal board. The report detailing any recommended changes  
7 or findings shall be filed with the chairperson and ranking  
8 members of the ways and means committees of the senate and the  
9 house of representatives and with the legislative services  
10 agency by January 8, 2014.





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Senate File 391

S-3039

1 Amend Senate File 391 as follows:

2 1. By striking everything after the enacting clause  
3 and inserting:

4 <Section 1. Section 85.16, Code 2013, is amended by  
5 adding the following new subsection:

6 NEW SUBSECTION. 4. By the employee's willful  
7 violation of an employment policy or procedure of the  
8 employer, if the willful violation was a substantial  
9 factor in causing the injury.

10 Sec. 2. Section 85.33, subsection 3, Code 2013, is  
11 amended to read as follows:

12 3. a. If an employee is temporarily, partially  
13 disabled and the employer for whom the employee was  
14 working at the time of injury offers to the employee  
15 suitable work consistent with the employee's disability  
16 the employee shall accept the suitable work, and be  
17 compensated with temporary partial benefits. If the  
18 employee refuses to accept the suitable work with the  
19 same employer, the employee shall not be compensated  
20 with temporary partial, temporary total, or healing  
21 period benefits during the period of the refusal. If  
22 suitable work is not offered by the employer for whom  
23 the employee was working at the time of the injury and  
24 the employee who is temporarily partially disabled  
25 elects to perform work with a different employer, the  
26 employee shall be compensated with temporary partial  
27 benefits. For the purposes of this subsection, work  
28 offered to an employee shall be considered suitable  
29 work consistent with the employee's disability if the  
30 work offered meets all of the following requirements:

31 (1) The work offered can be reasonably performed  
32 within the employee's educational ability, training,  
33 and vocational experience.

34 (2) The work offered is consistent with the  
35 employee's medical restrictions.

36 b. For the purposes of paragraph "c", a traveling  
37 employee is an employee whose regular work duties  
38 regularly require the employee to be away from the  
39 employee's residence for more than the majority of the  
40 work week.

41 c. For the purposes of this subsection, work  
42 offered to a traveling employee shall be considered  
43 suitable work consistent with the employee's disability  
44 if the following additional requirements are met:

45 (1) Unless otherwise contractually agreed between  
46 the employer and the employee before the injury, the  
47 geographic location of the work offered by an employer  
48 to a traveling employee may be considered only if the  
49 work offered does any of the following:

50 (a) Requires a commute or other travel beyond the

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1 physical capacity of the traveling employee.  
2 (b) Requires the traveling employee to spend  
3 substantially more time away from the traveling  
4 employee's residence than the traveling employee's  
5 regular work duties and schedule.  
6 (2) If an employer offers suitable work consistent  
7 with the employee's disability to a traveling  
8 employee that requires the traveling employee to  
9 spend substantially more time away from the traveling  
10 employee's residence than the traveling employee's  
11 regular work duties, the employer shall notify the  
12 traveling employee in writing of all of the following:  
13 (a) The nature of the work duties and physical  
14 requirements of the proposed suitable work.  
15 (b) The geographic location of the proposed  
16 suitable work offered, if the location will be  
17 substantially different than the location of the  
18 traveling employee's regular work.  
19 (c) The possible suspension of temporary partial,  
20 temporary total, or healing period benefits if the  
21 traveling employee refuses the proposed suitable work  
22 offered.  
23 (3) The employer shall deliver written notice of  
24 suitable work consistent with the employee's disability  
25 offered to the traveling employee, by mail, or by  
26 personal or electronic delivery.  
27 (4) Within seven days after the employer mails to  
28 the traveling employee written notice of the suitable  
29 work offered, or within three days after the employer  
30 personally or electronically delivers to the traveling  
31 employee a written notice of suitable work offered,  
32 whichever is earlier, the traveling employee shall  
33 either accept the offer of suitable work or shall  
34 refuse the offer of suitable work, in written or  
35 electronic form, stating the basis for the employee's  
36 refusal.  
37 d. This subsection shall not be construed to create  
38 a new legal claim or cause of action or to extinguish  
39 or modify any existing legal claim or cause of action.  
40 Sec. 3. APPLICABILITY. The section of this Act  
41 amending section 85.16 applies to injuries that occur  
42 on or after July 1, 2013.  
43 Sec. 4. APPLICABILITY. The section of this Act  
44 amending section 85.33, subsection 3, applies to offers  
45 of suitable work made on or after July 1, 2013.>  
46 2. Title page, by striking line 1 and inserting <An  
47 Act relating to the allowance of workers' compensation  
48 benefits for certain>  
49 3. By renumbering as necessary.

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JAKE CHAPMAN



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Senate File 170

S-3040

1 Amend Senate File 170 as follows:  
2 1. By striking everything after the enacting clause  
3 and inserting:  
4 <Section 1. Section 8A.311, Code 2013, is amended  
5 by adding the following new subsections:  
6 NEW SUBSECTION. 12A. a. If the lowest responsive  
7 bid received by the state for products or other  
8 purchases is from an out-of-state business and totals  
9 less than five hundred thousand dollars, and an  
10 Iowa-based business submitted a bid which is within  
11 five percent or ten thousand dollars of the price of  
12 the lowest bid, whichever is less, the Iowa-based  
13 business which submitted the lowest responsive bid  
14 shall be notified and shall be allowed to match the  
15 lowest bid before a contract is awarded.  
16 b. This subsection does not apply to a request  
17 for bids or proposals for products or other purchases  
18 associated with the following:  
19 (1) Road or bridge construction or repair.  
20 (2) Architectural or engineering services.  
21 c. This subsection does not apply to procurement of  
22 or for public improvement projects.  
23 d. This subsection does not apply when such  
24 applicability would cause the same preference to be  
25 applied under the laws of another state against an  
26 Iowa-based business participating in a competitive  
27 bidding process in such state.  
28 e. For purposes of this subsection:  
29 (1) "*Iowa-based business*" means an entity that has  
30 its principal place of business in Iowa.  
31 (2) "*Public improvement*" means a building or  
32 construction work which is constructed under the  
33 control of a governmental entity and is paid for in  
34 whole or in part with funds of the governmental entity,  
35 including a building or improvement constructed or  
36 operated jointly with any other public or private  
37 agency, and including a highway, bridge, or culvert  
38 project, but excluding emergency work or repair or  
39 maintenance work performed by state employees.  
40 NEW SUBSECTION. 12B. a. A response to a request  
41 for bids or proposals for products or other purchases  
42 by the state which totals less than five hundred  
43 thousand dollars in value shall contain the following  
44 information:  
45 (1) The percentage of the ownership of the  
46 submitting business which is held by Iowa residents.  
47 (2) The percentage of the employees who will be  
48 carrying out work in connection with the contract  
49 who are Iowa residents. For the purposes of this  
50 paragraph, "*employee*" includes part-time, temporary,

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1 contract, and substitute employees, and includes  
2 employees of any contractors or subcontractors.  
3 (3) An estimate of the percentage of purchases  
4 to be made by the submitting business in connection  
5 with the contract that will be made from Iowa-based  
6 businesses.  
7 (4) Documentation showing that the submitting  
8 business paid taxes, as defined in section 445.1, in  
9 this state during the most recently completed fiscal  
10 year for which such documentation is available.  
11 b. This subsection does not apply to a request  
12 for bids or proposals for products or other purchases  
13 associated with the following:  
14 (1) Road or bridge construction or repair.  
15 (2) Architectural or engineering services.  
16 c. This subsection does not apply to procurement of  
17 or for public improvement projects.  
18 d. This subsection does not apply when such  
19 applicability would cause the same preference to be  
20 applied under the laws of another state against an  
21 Iowa-based business participating in a competitive  
22 bidding process in such state.  
23 e. For purposes of this subsection:  
24 (1) "*Iowa-based business*" means an entity that has  
25 its principal place of business in Iowa.  
26 (2) "*Public improvement*" means a building or  
27 construction work which is constructed under the  
28 control of a governmental entity and is paid for in  
29 whole or in part with funds of the governmental entity,  
30 including a building or improvement constructed or  
31 operated jointly with any other public or private  
32 agency, and including a highway, bridge, or culvert  
33 project, but excluding emergency work or repair or  
34 maintenance work performed by state employees.>

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CHARLES SCHNEIDER

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Senate File 366

S-3041

- 1 Amend Senate File 366 as follows:
- 2 1. By striking page 1, line 1, through page 2, line
- 3 1.
- 4 2. By renumbering as necessary.

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JAKE CHAPMAN



Iowa General Assembly  
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Senate File 371

S-3042

- 1 Amend Senate File 371 as follows:  
2 1. Page 2, by striking lines 30 through 34 and  
3 inserting <based upon criteria established by the  
4 department. A decal shall not have any sexual  
5 connotation and shall>  
6 2. By renumbering as necessary.

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MARK CHELGREN

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JACK WHITVER

---

RICK BERTRAND

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KENT SORENSON

---

JONI ERNST

---

BILL ANDERSON

---

RANDY FEENSTRA

---

ROBY SMITH

---

DAVID JOHNSON

---

MARK SEGEBART

---

CHARLES SCHNEIDER



Iowa General Assembly  
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MICHAEL BREITBACH

---

SANDRA H. GREINER

---

TIM KAPUCIAN

---

DAN ZUMBACH

---

NANCY J. BOETTGER





Iowa General Assembly  
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Senate File 422

S-3043

1 Amend Senate File 422 as follows:

2 1. Page 1, line 1, by striking <subsection 1,>

3 2. Page 1, by striking lines 3 through 8 and

4 inserting:

5 <Sec. \_\_\_\_\_. Section 422.12B, Code 2013, is amended  
6 to read as follows:

7 **422.12B Earned income tax credit.**

8 1. The taxes imposed under this division less the  
9 credits allowed under section 422.12 shall be reduced  
10 by an earned income credit equal to ~~seven~~ one of  
11 the following amounts chosen at the election of the  
12 taxpayer:

13 a. Ten percent of the federal earned income  
14 credit provided in section 32 of the Internal Revenue  
15 Code. Any credit in excess of the tax liability is  
16 refundable.

17 b. (1) The sum of the following amounts:

18 (a) One percent of the first forty thousand dollars  
19 of earned income of the individual.

20 (b) Two percent of the amount of earned income of  
21 the individual exceeding forty thousand dollars but not  
22 exceeding sixty thousand dollars.

23 (2) If the total earned income of the individual  
24 exceeds sixty thousand dollars the amount of the credit  
25 determined under subparagraph (1) shall be reduced,  
26 but not below zero, by the same proportion that the  
27 individual's total earned income in excess of sixty  
28 thousand dollars bears to twenty thousand dollars.

29 (3) Any credit in excess of the tax liability is  
30 not refundable.

31 (4) A credit shall not be allowed under this  
32 paragraph to an individual who is a dependent for  
33 whom a deduction is allowable under section 151 of  
34 the Internal Revenue Code to another taxpayer for the  
35 taxable year, or to an individual who has an amount of  
36 disqualified income in excess of three thousand two  
37 hundred dollars for the taxable year.

38 (5) For purposes of this paragraph, "earned income"  
39 and "disqualified income" mean the same as defined in  
40 section 32 of the Internal Revenue Code.

41 2. Married taxpayers electing to file separate  
42 returns or filing separately on a combined return  
43 may avail themselves of the earned income credit in  
44 subsection 1, paragraph "a", by allocating the earned  
45 income credit to each spouse in the proportion that  
46 each spouse's respective earned income bears to the  
47 total combined earned income.

48 3. Taxpayers affected by the allocation provisions  
49 of section 422.8 shall be permitted a deduction for  
50 the credit only in the amount fairly and equitably

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1 allocable to Iowa under rules prescribed by the  
2 director.>  
3 3. By renumbering as necessary.

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RANDY FEENSTRA



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Senate File 399

S-3044

- 1 Amend Senate File 399 as follows:
- 2 1. Page 4, after line 33 by inserting:
- 3 <Sec. \_\_\_\_ ABORTION. A correctional institution
- 4 shall not expend state moneys to perform or facilitate
- 5 the termination of an inmate's or detainee's pregnancy
- 6 through an abortion.>
- 7 2. By renumbering as necessary.

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KENT SORENSON

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RICK BERTRAND

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MARK SEGEBART

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DENNIS GUTH

---

BILL ANDERSON

---

KEN ROZENBOOM

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RANDY FEENSTRA

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TIM KAPUCIAN

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ROBY SMITH

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JAKE CHAPMAN



Iowa General Assembly  
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\_\_\_\_\_  
DAVID JOHNSON

\_\_\_\_\_  
BRAD ZAUN

\_\_\_\_\_  
DR. JOE M. SENG

\_\_\_\_\_  
CHARLES SCHNEIDER

\_\_\_\_\_  
JACK WHITVER

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JONI ERNST

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MICHAEL BREITBACH

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MARK CHELGREN

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AMY SINCLAIR

\_\_\_\_\_  
NANCY J. BOETTGER

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HUBERT HOUSER

\_\_\_\_\_  
BILL DIX

\_\_\_\_\_  
JERRY BEHN



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DAN ZUMBACH

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SANDRA H. GREINER



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Senate File 391

S-3045

1 Amend Senate File 391 as follows:

2 1. By striking everything after the enacting clause  
3 and inserting:

4 <Section 1. Section 85.16, Code 2013, is amended by  
5 adding the following new subsection:

6 NEW SUBSECTION. 4. By the employee's willful  
7 violation of an employment policy or procedure of the  
8 employer, if the willful violation was a substantial  
9 factor in causing the injury.

10 Sec. 2. Section 85.33, subsection 3, Code 2013, is  
11 amended to read as follows:

12 3. a. If an employee is temporarily, partially  
13 disabled and the employer for whom the employee was  
14 working at the time of injury offers to the employee  
15 suitable work consistent with the employee's disability  
16 the employee shall accept the suitable work, and be  
17 compensated with temporary partial benefits. If the  
18 employee refuses to accept the suitable work with the  
19 same employer, the employee shall not be compensated  
20 with temporary partial, temporary total, or healing  
21 period benefits during the period of the refusal.  
22 If suitable work is not offered by the employer for  
23 whom the employee was working at the time of the  
24 injury and the employee who is temporarily partially  
25 disabled elects to perform work with a different  
26 employer, the employee shall not be compensated with  
27 temporary partial, temporary total, or healing period  
28 benefits during the period of time the employee works  
29 for a different employer. For the purposes of this  
30 subsection, work offered to an employee shall be  
31 considered suitable work consistent with the employee's  
32 disability if the work offered meets all of the  
33 following requirements:

34 (1) The work offered can be reasonably performed  
35 within the employee's educational ability, training,  
36 and vocational experience.

37 (2) The work offered is consistent with the  
38 employee's medical restrictions.

39 b. For the purposes of paragraph "c", a traveling  
40 employee is an employee whose regular work duties  
41 regularly require the employee to be away from the  
42 employee's residence for more than the majority of the  
43 work week.

44 c. For the purposes of this subsection, work  
45 offered to a traveling employee shall be considered  
46 suitable work consistent with the employee's disability  
47 if the following additional requirements are met:

48 (1) Unless otherwise contractually agreed between  
49 the employer and the employee before the injury, the  
50 geographic location of the work offered by an employer

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1 to a traveling employee may be considered only if the  
2 work offered does any of the following:  
3 (a) Requires a commute or other travel beyond the  
4 physical capacity of the traveling employee.  
5 (b) Requires the traveling employee to spend  
6 substantially more time away from the traveling  
7 employee's residence than the traveling employee's  
8 regular work duties and schedule.  
9 (2) If an employer offers suitable work consistent  
10 with the employee's disability to a traveling  
11 employee that requires the traveling employee to  
12 spend substantially more time away from the traveling  
13 employee's residence than the traveling employee's  
14 regular work duties, the employer shall notify the  
15 traveling employee in writing of all of the following:  
16 (a) The nature of the work duties and physical  
17 requirements of the proposed suitable work.  
18 (b) The geographic location of the proposed  
19 suitable work offered, if the location will be  
20 substantially different than the location of the  
21 traveling employee's regular work.  
22 (c) The possible suspension of temporary partial,  
23 temporary total, or healing period benefits if the  
24 traveling employee refuses the proposed suitable work  
25 offered.  
26 (3) The employer shall deliver written notice of  
27 suitable work consistent with the employee's disability  
28 offered to the traveling employee, by mail, or by  
29 personal or electronic delivery.  
30 (4) Within seven days after the employer mails to  
31 the traveling employee written notice of the suitable  
32 work offered, or within three days after the employer  
33 personally or electronically delivers to the traveling  
34 employee a written notice of suitable work offered,  
35 whichever is earlier, the traveling employee shall  
36 either accept the offer of suitable work or shall  
37 refuse the offer of suitable work, in written or  
38 electronic form, stating the basis for the employee's  
39 refusal.  
40 d. This subsection shall not be construed to create  
41 a new legal claim or cause of action or to extinguish  
42 or modify any existing legal claim or cause of action.  
43 Sec. 3. APPLICABILITY. The section of this Act  
44 amending section 85.16 applies to injuries that occur  
45 on or after July 1, 2013.  
46 Sec. 4. APPLICABILITY. The section of this Act  
47 amending section 85.33, subsection 3, applies to offers  
48 of suitable work made on or after July 1, 2013.>  
49 2. Title page, by striking line 1 and inserting <An  
50 Act relating to the allowance of workers' compensation

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1 benefits for certain>  
2 3. By renumbering as necessary.

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JAKE CHAPMAN





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Senate File 363

S-3046

- 1 Amend Senate File 363 as follows:  
2 1. Page 1, before line 1 by inserting:  
3 <Section 1. LEGISLATIVE FINDINGS. The general  
4 assembly finds that establishing a sound criminal  
5 justice and public health policy toward individuals  
6 living with a contagious or infectious disease is  
7 consistent with an evidence-based approach to disease  
8 control that focuses on prevention strategies that  
9 include notification of current and previously exposed  
10 partners, evidence-based behavioral risk-reduction  
11 programming, promotion of voluntary disclosure to  
12 sexual and needle-sharing partners, and suppression of  
13 viral load through engagement in care and treatment  
14 programs.>  
15 2. Page 3, after line 6 by inserting:  
16 <Sec. \_\_\_\_\_. Section 141A.3, subsection 2, Code 2013,  
17 is amended by adding the following new paragraph:  
18 NEW PARAGRAPH. *0e.* Subject to availability  
19 of funding, develop and implement a comprehensive  
20 prevention program for individuals with HIV that  
21 includes engagement and retention in HIV care  
22 activities, risk reduction and behavioral prevention  
23 programming, partner notification services, case  
24 management and other supportive services, and  
25 assistance with health insurance coverage or medication  
26 costs for low-income individuals.>  
27 3. By renumbering as necessary.

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STEVEN J. SODDERS

SF363.1065 (3) 85

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pf/nh

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Iowa General Assembly  
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Senate File 363

S-3047

1 Amend Senate File 363 as follows:  
2 1. Page 2, after line 16 by inserting:  
3 <3A. A person commits a serious misdemeanor  
4 when the person knows the person is infected with  
5 a contagious or infectious disease and exposes an  
6 uninfected person to the contagious or infectious  
7 disease, but the conduct does not result in the  
8 uninfected person becoming infected with the contagious  
9 or infectious disease.>

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CHARLES SCHNEIDER



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
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Senate File 385

S-3048

1 Amend Senate File 385 as follows:

2 1. By striking everything after the enacting clause  
3 and inserting:

4 <Section 1. Section 692A.106, subsection 2, Code  
5 2013, is amended to read as follows:

6 2. A sex offender who has been sentenced to a  
7 special sentence under section 903B.1 or 903B.2, shall  
8 be required to register for a period equal to the term  
9 of the special sentence, but in no case not less than  
10 the period specified in subsection 1, unless discharged  
11 early from the term of the special sentence imposed  
12 under chapter 903B.

13 Sec. 2. NEW SECTION. 903B.3 Early discharge from  
14 special sentence.

15 1. A person who is serving a special sentence prior  
16 to, on, or after the effective date of this Act, may  
17 file an application in district court seeking an early  
18 discharge from the term of the special sentence imposed  
19 under this chapter.

20 2. An application shall not be granted unless all  
21 of the following apply:

22 a. The person was eighteen years of age or younger  
23 when the offense requiring the special sentence was  
24 committed.

25 b. The victim of the offense requiring the special  
26 sentence was thirteen years of age or older when the  
27 offense was committed.

28 c. The offense requiring the special sentence did  
29 not involve force or a threat of force and was not done  
30 against the will of the victim.

31 d. The person has successfully completed all sex  
32 offender treatment programs that have been required.

33 e. A risk assessment has been completed and the sex  
34 offender was classified as a low or low-to-moderate  
35 risk to reoffend. The risk assessment used to assess  
36 an offender as a low or low-to-moderate risk to  
37 reoffend shall be a validated risk assessment approved  
38 by the department of corrections.

39 f. The person is not incarcerated when the  
40 application is filed.

41 3. The application shall be filed in the person's  
42 county of principal residence.

43 4. Notice of any application shall be provided  
44 to the county attorney of the county of the person's  
45 principal residence, the county attorney of the county  
46 where the conviction requiring the special sentence  
47 occurred, and the department of public safety. The  
48 county attorney where the conviction occurred shall  
49 notify the victim of an application if the victim's  
50 address is known.

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1 5. The court shall conduct a hearing on the  
2 application to hear any evidence deemed appropriate  
3 by the court. A victim, as defined in section 915.10  
4 shall be provided an opportunity to be heard in any  
5 format permissible under section 915.13.  
6 6. The court, after the hearing, may either refuse  
7 to grant the application or order that the person be  
8 discharged early from the term of the special sentence.  
9 7. A copy of any court order entered pursuant to  
10 this section shall be sent to the person, the county  
11 attorney of the person's principal place of residence,  
12 the county attorney of the county where the conviction  
13 requiring the special sentence occurred, and the  
14 victim, if the address of the victim is known.  
15 8. If the court orders the person discharged  
16 early from the term of the special sentence, a copy  
17 of the early discharge order shall also be sent to  
18 the department of corrections, the department of  
19 public safety, and to the sheriff of the county of the  
20 person's principal place of residence.  
21 9. If the court orders the person discharged early  
22 from the term of the special sentence, the person shall  
23 be immediately discharged from the special sentence,  
24 and the person's name and relevant information shall  
25 be removed from the sex offender registry in the  
26 same manner as if the person's required period of  
27 registration ended under chapter 692A.>  
28 2. Title page, by striking lines 1 through 5 and  
29 inserting <An Act modifying the imposition of certain  
30 special sentences.>

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NANCY J. BOETTGER

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ROBERT M. HOGG

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jrm/rj

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Iowa General Assembly  
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Senate File 289

S-3049

- 1 Amend Senate File 289 as follows:
- 2 1. Page 6, by striking lines 29 through 32 and
- 3 inserting ~~<adjutant-general~~ governor.>

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ROBERT M. HOGG



Iowa General Assembly  
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Senate File 366

S-3050

- 1 Amend Senate File 366 as follows:  
2 1. Page 4, after line 20 by inserting:  
3 <Sec. \_\_\_\_\_. Section 256.9, Code 2013, is amended by  
4 adding the following new subsection:  
5 NEW SUBSECTION. 63. Transfer funds appropriated  
6 pursuant to section 423F.2, subsection 3, to accredited  
7 nonpublic schools to cover the costs of radon testing  
8 and mitigation required by section 280.30. The  
9 director shall establish an application process and  
10 criteria for allocating such funds to accredited  
11 nonpublic schools.>  
12 2. Page 6, after line 17 by inserting:  
13 <Sec. \_\_\_\_\_. Section 423F.2, subsection 3, Code 2013,  
14 is amended to read as follows:  
15 3. The moneys available in a fiscal year in the  
16 secure an advanced vision for education fund shall be  
17 distributed by the department of revenue to each school  
18 district in an amount equal to the amount the school  
19 district would have received pursuant to the formula  
20 in section 423E.4 as if the local sales and services  
21 tax for school infrastructure purposes was imposed.  
22 Moneys in a fiscal year that are in excess of that  
23 needed to provide each school district with its formula  
24 amount are appropriated to the department of education  
25 for transfer to accredited nonpublic schools pursuant  
26 to section 256.9, subsection 63. Moneys in a fiscal  
27 year that are in excess of that needed to provide each  
28 school district with its formula amount and to cover  
29 the costs associated with section 256.9, subsection 63,  
30 shall be distributed and credited to the property tax  
31 equity and relief fund created in section 257.16A.>  
32 3. Page 6, after line 30 by inserting:  
33 <Sec. \_\_\_\_\_. APPLICABILITY. The section of this  
34 Act amending section 423F.2, subsection 3, applies to  
35 moneys available in the secure an advanced vision for  
36 education fund in fiscal years beginning on and after  
37 July 1, 2013.>  
38 4. Title page, lines 1 and 2, by striking <control  
39 and making penalties applicable> and inserting  
40 <control, making penalties applicable, making an  
41 appropriation, and including applicability provisions>  
42 5. By renumbering as necessary.

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MARK CHELGREN

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Senate Resolution 11 - Introduced

SENATE RESOLUTION NO. 11

BY BOWMAN, ZAUN, SODDERS, HART, WILHELM, HOGG, HORN,  
DEARDEN, BRASE, SENG, HATCH, RAGAN, DVORSKY,  
BEALL, DOTZLER, DIX, CHELGREN, SEGEBART, FEENSTRA,  
WHITVER, ERNST, ZUMBACH, BREITBACH, HOUSER,  
BEHN, BOETTGER, KAPUCIAN, GUTH, ROZENBOOM, SMITH,  
SINCLAIR, BOLKCOM, MCCOY, SCHOENJAHN, MATHIS,  
TAYLOR, BLACK, PETERSEN, DANIELSON, JOCHUM,  
SCHNEIDER, CHAPMAN, JOHNSON, QUIRMBACH, SORENSON,  
BERTRAND, ANDERSON, GREINER, COURTNEY, and GRONSTAL

1 A Resolution opposing the decision of the International  
2 Olympic Committee to end wrestling as an Olympic  
3 event.

4 WHEREAS, the sport of wrestling, which combines both  
5 freestyle and Greco-Roman events, goes back to the  
6 first modern Olympics in Athens in 1896; and

7 WHEREAS, over the last century, wrestling expanded  
8 to feature 344 athletes competing in 11 medal events  
9 in freestyle and seven in Greco-Roman at the London  
10 Olympics, and women's wrestling was added at the 2004  
11 Athens Games; and

12 WHEREAS, Iowa has a rich heritage in the sport  
13 of wrestling at all levels, including a premier high  
14 school program and the world-class collegiate programs  
15 at Iowa State University, the University of Iowa, and  
16 the University of Northern Iowa; and

17 WHEREAS, Dan Gable won three state championships at  
18 Waterloo West High School and then wrestled at Iowa  
19 State where he won multiple national championships and  
20 later won Olympic gold, thereafter becoming a coaching

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1 legend at the University of Iowa and at the 1980, 1984,  
2 and 2000 Olympics; and

3 WHEREAS, Jake Varner, a former Iowa State wrestler,  
4 won gold at the 2012 London Olympics; and

5 WHEREAS, the action of the International Olympic  
6 Committee threatens the future of a sport practiced  
7 for three millennia and threatens the future of Iowa's  
8 college and high school wrestling programs, which have  
9 been carefully developed over the last 50 years; NOW  
10 THEREFORE,

11 BE IT RESOLVED BY THE SENATE, That the Senate  
12 opposes the action of the International Olympic  
13 Committee to end wrestling as an Olympic event and  
14 urges that body to reconsider its action.

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**Senate Resolution 12 - Introduced**

SENATE RESOLUTION NO. 12

BY JOHNSON and HART

1 A Resolution to honor and commemorate the election of  
2 Pope Francis.

3 WHEREAS, the College of Cardinals elected Cardinal  
4 Jorge Mario Bergoglio as the 266th pontiff of the  
5 Roman Catholic Church, ending nearly 1,300 years of  
6 European-born popes, and, in his words, finding him  
7 "from the end of the earth"; and

8 WHEREAS, Cardinal Bergoglio taught literature,  
9 psychology, philosophy, and theology before assuming  
10 the position of archbishop of Buenos Aires in 1998 and  
11 cardinal in 2001; and

12 WHEREAS, as pope, Cardinal Bergoglio has chosen  
13 the name Francis, in honor of the 13th century saint  
14 known for the compassion he showed to the vulnerable —  
15 especially poor people, sick people, and animals; and

16 WHEREAS, Pope Francis brings to the papacy his sense  
17 of austerity and humility, and his compassion on issues  
18 such as poverty; NOW THEREFORE,

19 BE IT RESOLVED BY THE SENATE, That the Senate, on  
20 behalf of Iowans of all faiths, honors the election  
21 of Pope Francis as the 266th pontiff of the Roman  
22 Catholic Church, and wishes him a long and successful  
23 papacy; and

24 BE IT FURTHER RESOLVED, That the Secretary of the  
25 Senate is directed to provide a copy of this Resolution  
26 to his holiness Pope Francis.

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**Senate Study Bill 1245 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
SENATE APPROPRIATIONS  
SUBCOMMITTEE ON AGRICULTURE  
AND NATURAL RESOURCES)

**A BILL FOR**

1 An Act relating to and making appropriations involving state  
2 government entities involved with agriculture, natural  
3 resources, and environmental protection.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 DIVISION I  
2 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP  
3 GENERAL APPROPRIATION FOR FY 2013-2014  
4 Section 1. GENERAL FUND — DEPARTMENT.  
5 1. There is appropriated from the general fund of the state  
6 to the department of agriculture and land stewardship for the  
7 fiscal year beginning July 1, 2013, and ending June 30, 2014,  
8 the following amount, or so much thereof as is necessary, to be  
9 used for the purposes designated:  
10 For purposes of supporting the department, including its  
11 divisions, for administration, regulation, and programs; for  
12 salaries, support, maintenance, and miscellaneous purposes; and  
13 for not more than the following full-time equivalent positions:  
14 ..... \$ 17,081,328  
15 ..... FTEs 372.00  
16 2. Of the amount appropriated in subsection 1, the following  
17 amount is transferred to Iowa state university of science and  
18 technology, to be used for the university's midwest grape and  
19 wine industry institute:  
20 ..... \$ 238,000  
21 3. The department shall submit a report each quarter of the  
22 fiscal year to the legislative services agency, the department  
23 of management, the members of the joint appropriations  
24 subcommittee on agriculture and natural resources, and the  
25 chairpersons and ranking members of the senate and house  
26 committees on appropriations. The report shall describe in  
27 detail the expenditure of moneys appropriated in this section  
28 to support the department's administration, regulation, and  
29 programs.  
30 DESIGNATED APPROPRIATIONS  
31 MISCELLANEOUS FUNDS  
32 Sec. 2. UNCLAIMED PARI-MUTUEL WAGERING WINNINGS —  
33 HORSE AND DOG RACING. There is appropriated from the moneys  
34 available under section 99D.13 to the department of agriculture  
35 and land stewardship for the fiscal year beginning July 1,

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1 2013, and ending June 30, 2014, the following amount, or so  
2 much thereof as is necessary, to be used for the purposes  
3 designated:

4 For purposes of supporting the department's administration  
5 and enforcement of horse and dog racing law pursuant to section  
6 99D.22, including for salaries, support, maintenance, and  
7 miscellaneous purposes:

8 ..... \$ 305,516

9 Sec. 3. RENEWABLE FUEL INFRASTRUCTURE FUND — MOTOR FUEL  
10 INSPECTION.

11 1. There is appropriated from the renewable fuel  
12 infrastructure fund created in section 159A.16 to the  
13 department of agriculture and land stewardship for the fiscal  
14 year beginning July 1, 2013, and ending June 30, 2014, the  
15 following amount, or so much thereof as is necessary, to be  
16 used for the purposes designated:

17 For purposes of the inspection of motor fuel, including  
18 salaries, support, maintenance, and miscellaneous purposes:

19 ..... \$ 500,000

20 2. The department shall establish and administer programs  
21 for the auditing of motor fuel, including biofuel processing  
22 and production plants, for screening and testing motor fuel,  
23 including renewable fuel, and for the inspection of motor fuel  
24 sold by dealers including retail dealers who sell and dispense  
25 motor fuel from motor fuel pumps.

26 SPECIAL APPROPRIATIONS

27 GENERAL FUND

28 Sec. 4. DAIRY REGULATION. There is appropriated from the  
29 general fund of the state to the department of agriculture  
30 and land stewardship for the fiscal year beginning July 1,  
31 2013, and ending June 30, 2014, the following amount, or so  
32 much thereof as is necessary, to be used for the purposes  
33 designated:

34 1. For purposes of performing functions pursuant to section  
35 192.109, including conducting a survey of grade "A" milk and

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1 certifying the results to the secretary of agriculture:  
2 ..... \$ 189,196

3 2. Notwithstanding section 8.33, moneys appropriated in  
4 this section that remain unencumbered or unobligated at the  
5 close of the fiscal year shall not revert but shall remain  
6 available to be used for the purposes designated until the  
7 close of the succeeding fiscal year.

8 Sec. 5. LOCAL FOOD AND FARM PROGRAM.

9 1. There is appropriated from the general fund of the state  
10 to the department of agriculture and land stewardship for the  
11 fiscal year beginning July 1, 2013, and ending June 30, 2014,  
12 the following amount, or so much thereof as is necessary, to be  
13 used for the purposes designated:

14 For purposes of supporting the local food and farm program  
15 pursuant to chapter 267A:

16 ..... \$ 75,000

17 2. The department shall enter into a cost-sharing agreement  
18 with Iowa state university to support the local food and farm  
19 program coordinator position as part of the university's  
20 cooperative extension service in agriculture and home economics  
21 pursuant to chapter 267A.

22 3. Notwithstanding section 8.33, moneys appropriated in  
23 this section that remain unencumbered or unobligated at the  
24 close of the fiscal year shall not revert but shall remain  
25 available to be used for the purposes designated until the  
26 close of the succeeding fiscal year.

27 Sec. 6. AGRICULTURAL EDUCATION. There is appropriated from  
28 the general fund of the state to the department of agriculture  
29 and land stewardship for the fiscal year beginning July 1,  
30 2013, and ending June 30, 2014, the following amount, or so  
31 much thereof as is necessary, to be used for the purposes  
32 designated:

33 1. For purposes of allocating moneys to an Iowa association  
34 affiliated with a national organization which promotes  
35 agricultural education providing for future farmers:

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1 ..... \$ 25,000

2 2. Notwithstanding section 8.33, moneys appropriated in  
3 this section that remain unencumbered or unobligated at the  
4 close of the fiscal year shall not revert but shall remain  
5 available to be used for the purposes designated until the  
6 close of the succeeding fiscal year.

7 Sec. 7. FARMERS WITH DISABILITIES PROGRAM.

8 1. There is appropriated from the general fund of the state  
9 to the department of agriculture and land stewardship for the  
10 fiscal year beginning July 1, 2013, and ending June 30, 2014,  
11 the following amount, or so much thereof as is necessary, to be  
12 used for the purposes designated:

13 For purposes of supporting a program for farmers with  
14 disabilities:

15 ..... \$ 130,000

16 2. The moneys appropriated in subsection 1 shall be used for  
17 the public purpose of providing a grant to a national nonprofit  
18 organization with over 80 years of experience in assisting  
19 children and adults with disabilities and special needs.

20 a. The moneys shall be used to support a nationally  
21 recognized program that began in 1986 and has been replicated  
22 in at least 30 other states, but which is not available through  
23 any other entity in this state, and that provides assistance  
24 to farmers with disabilities in all 99 counties to allow the  
25 farmers to remain in their own homes and be gainfully engaged  
26 in farming through provision of agricultural worksite and home  
27 modification consultations, peer support services, services  
28 to families, information and referral, and equipment loan  
29 services.

30 b. Notwithstanding section 8.33, moneys appropriated in  
31 this section that remain unencumbered or unobligated at the  
32 close of the fiscal year shall not revert but shall remain  
33 available for expenditure for the purposes designated until the  
34 close of the succeeding fiscal year.

35 DIVISION II

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1 GENERAL FUND  
2 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP  
3 SOIL AND WATER CONSERVATION AND WATER QUALITY  
4 Sec. 8. SOIL AND WATER CONSERVATION — GENERAL. There  
5 is appropriated from the general fund of the state to the  
6 department of agriculture and land stewardship for the fiscal  
7 year beginning July 1, 2013, and ending June 30, 2014, the  
8 following amount, or so much thereof as is necessary, to be  
9 used for the purposes designated:  
10 1. For use by the department in providing for soil and  
11 water conservation administration, the conservation of soil and  
12 water resources, or the support of soil and water conservation  
13 district commissioners:  
14 ..... \$ 6,000,000  
15 2. Not more than 5 percent of the moneys appropriated in  
16 subsection 1 may be allocated for cost sharing to address  
17 complaints filed under section 161A.47.  
18 3. Of the moneys appropriated in subsection 1, 5 percent  
19 shall be allocated for financial incentives to establish  
20 practices to protect watersheds above publicly owned lakes of  
21 the state from soil erosion and sediment as provided in section  
22 161A.73.  
23 4. Not more than 30 percent of a soil and water conservation  
24 district's allocation of moneys as financial incentives may be  
25 provided for the purpose of establishing management practices  
26 to control soil erosion on land that is row cropped, including  
27 but not limited to no-till planting, ridge-till planting,  
28 contouring, and contour strip-cropping as provided in section  
29 161A.73.  
30 5. The state soil conservation committee established by  
31 section 161A.4 may allocate moneys appropriated in subsection  
32 1 to conduct research and demonstration projects to promote  
33 conservation tillage and nonpoint source pollution control  
34 practices.  
35 6. The allocation of moneys as financial incentives as



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1 provided in section 161A.73 may be used in combination with  
2 moneys allocated by the department of natural resources.

3 7. Not more than 15 percent of the moneys appropriated  
4 in subsection 1 may be used for costs of administration and  
5 implementation of soil and water conservation practices.

6 8. The moneys appropriated in this section shall not be  
7 used by the soil conservation division of the department of  
8 agriculture and land stewardship to provide administrative  
9 support to the watershed improvement review board established  
10 in section 466A.3.

11 Sec. 9. SOIL AND WATER CONSERVATION —

12 ADMINISTRATION. There is appropriated from the general fund of  
13 the state to the department of agriculture and land stewardship  
14 for the fiscal year beginning July 1, 2013, and ending June 30,  
15 2014, the following amount, or so much thereof as is necessary,  
16 to be used for the purposes designated:

17 For use by the department for costs of administration and  
18 implementation of soil and water conservation practices:

19 ..... \$ 2,550,000

20 Sec. 10. WATER QUALITY INITIATIVE — GENERAL.

21 1. There is appropriated from the general fund of the state  
22 to the department of agriculture and land stewardship for the  
23 fiscal year beginning July 1, 2013, and ending June 30, 2014,  
24 the following amount, or so much thereof as is necessary, to be  
25 used for the purposes designated:

26 For purposes of supporting a water quality initiative  
27 administered by the soil conservation division as provided in  
28 section 466B.42 as enacted by this Act, including salaries,  
29 support, maintenance, miscellaneous purposes, and for not more  
30 than the following full-time equivalent positions:

31 ..... \$ 2,400,000

32 ..... FTEs 1.00

33 2. The moneys appropriated in subsection 1 shall be used  
34 to support reducing nutrients in subwatersheds as designated  
35 by the division that are part of high-priority watersheds

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1 identified by the water resources coordinating council  
2 established pursuant to section 466B.3. In supporting reducing  
3 nutrients in subwatersheds, the division shall establish and  
4 administer demonstration projects as follows:

5 a. The demonstration projects shall utilize water quality  
6 practices as described in the latest revision of the document  
7 entitled "Iowa Nutrient Reduction Strategy" initially presented  
8 in November 2012 by the department of agriculture and land  
9 stewardship, the department of natural resources, and Iowa  
10 state university of science and technology.

11 b. The division shall implement demonstration projects as  
12 provided in paragraph "a" by providing for participation by  
13 persons who hold a legal interest in agricultural land used in  
14 farming. To every extent practical, the division shall provide  
15 for collaborative participation by such persons who hold a  
16 legal interest in agricultural land located within the same  
17 subwatershed.

18 c. The division shall implement a demonstration project on  
19 a cost-share basis as determined by the division. However the  
20 state's share of the amount shall not exceed 50 percent of the  
21 estimated cost of establishing the practice as determined by  
22 the division or 50 percent of the actual cost of establishing  
23 the practice, whichever is less.

24 d. The demonstration projects shall be used to educate other  
25 persons about the feasibility and value of establishing similar  
26 water quality practices. The division shall promote field day  
27 events for purposes of allowing interested persons to establish  
28 water quality practices on their agricultural land.

29 e. The division shall conduct water quality evaluations  
30 within supported subwatershed. Within a reasonable period  
31 after accumulating information from such evaluations, the  
32 division shall create an aggregated database of water quality  
33 practices. Any information identifying a person holding a  
34 legal interest in agricultural land or specific agricultural  
35 land shall be a confidential record under section 22.7.

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1     3. The moneys appropriated in subsection 1 shall be used  
2 to support education and outreach in a manner that encourages  
3 persons who hold a legal interest in agricultural land used for  
4 farming to implement water quality practices, including the  
5 establishment of such practices in watersheds generally, and  
6 not limited to subwatersheds or high-priority watersheds.

7     4. The moneys appropriated in subsection 1 may be used  
8 to contract with persons to coordinate the implementation of  
9 efforts provided in this section. Not more than \$150,000 shall  
10 be used to support the administration of this section by a  
11 full-time equivalent position.

12    5. Notwithstanding any other provision in law to the  
13 contrary, the department may use moneys appropriated in  
14 subsection 1 in combination with other moneys appropriated  
15 to the department from the environment first fund created in  
16 section 8.57A for cost sharing to match the United States  
17 department of agriculture, natural resources conservation  
18 service, wetland reserve enhancement program.

19    Sec. 11. WATER QUALITY INITIATIVE — SPECIAL PROJECTS.

20    1. There is appropriated from the general fund of the state  
21 to the department of agriculture and land stewardship for the  
22 fiscal year beginning July 1, 2013, and ending June 30, 2014,  
23 the following amount, or so much thereof as is necessary, to be  
24 used for the purposes designated:

25    For purposes of supporting special projects associated  
26 with a water quality initiative administered by the soil  
27 conservation division as provided in section 466B.42 as enacted  
28 by this Act:

29 ..... \$ 10,000,000

30    2. a. Seventy percent of the moneys shall be used to  
31 support projects in subwatersheds as designated by the division  
32 that are part of high-priority watersheds identified by the  
33 water resources coordinating council established pursuant to  
34 section 466B.3.

35    b. Thirty percent of the moneys shall be used to support



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1 projects in watersheds generally, including regional  
2 watersheds, as designated by the division, and high-priority  
3 watersheds identified by the water resources coordinating  
4 council established pursuant to section 466B.3.

5 3. In supporting projects in subwatersheds and watersheds  
6 as provided in subsection 2, the division shall do all of the  
7 following:

8 a. Utilize water quality practices as described in the  
9 latest revision of the document entitled "Iowa Nutrient  
10 Reduction Strategy" initially presented in November 2012 by the  
11 department of agriculture and land stewardship, the department  
12 of natural resources, and Iowa state university of science and  
13 technology.

14 b. Participate with persons who hold a legal interest in  
15 agricultural land used in farming. To every extent practical,  
16 the division shall provide for collaborative participation by  
17 such persons who hold a legal interest in agricultural land  
18 located within the same watershed.

19 c. Finance the establishment of water quality practices on  
20 a cost-share basis as determined by the division. However, the  
21 state's share of the amount shall not exceed 50 percent of the  
22 estimated cost of establishing the water quality practice as  
23 determined by the division or 50 percent of the actual cost of  
24 establishing the water quality practice, whichever is less.

25 4. Notwithstanding any other provision in law to the  
26 contrary, the department may use moneys appropriated in  
27 subsection 1 in combination with other moneys appropriated  
28 to the department from the environment first fund created in  
29 section 8.57A for cost sharing to match the United States  
30 department of agriculture, natural resources conservation  
31 service, wetland reserve enhancement program.

32 Sec. 12. WATER QUALITY INITIATIVE — REPORT. The department  
33 of agriculture and land stewardship shall prepare preliminary  
34 report and final report regarding its efforts to administer the  
35 water quality initiative as provided in this division. Each



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1 report shall include information regarding the establishment of  
2 water quality practices, including demonstration projects, and  
3 education and outreach efforts. The department shall deliver  
4 the preliminary report to the governor and general assembly not  
5 later than January 15, 2014, and shall deliver the final report  
6 to the governor and general assembly not later than January 15,  
7 2015. A report shall not identify an individual or specific  
8 agricultural land.

9 Sec. 13. WATERSHED IMPROVEMENT FUND.

10 1. There is appropriated from the general fund of the state  
11 to the department of agriculture and land stewardship for the  
12 fiscal year beginning July 1, 2013, and ending June 30, 2014,  
13 the following amount, or so much thereof as is necessary, to be  
14 used for the purpose designated:

15 For deposit in the watershed improvement fund created in  
16 section 466A.2:

17 ..... \$ 4,000,000

18 2. Of the amount appropriated in subsection 1, 50 percent  
19 shall be used for purposes of supporting special projects  
20 associated with the water quality initiative administered by  
21 the soil conservation division as provided in this division.

22 Sec. 14. NONREVERSION.

23 1. Notwithstanding section 8.33, moneys appropriated in  
24 this division that remain unencumbered or unobligated at the  
25 close of the fiscal year shall not revert but shall remain  
26 available for expenditure for the purposes designated until the  
27 close of the fiscal year beginning July 1, 2014.

28 2. Subsection 1 does not apply to the appropriations made in  
29 this division for any of the following purposes:

30 a. The appropriation made for deposit into the watershed  
31 improvement fund pursuant to section 466A.2. Notwithstanding  
32 section 8.33, the appropriation made in that section shall not  
33 revert.

34 b. The appropriation made for use by the department of  
35 agriculture and land stewardship in providing for soil and

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1 water conservation administration, the conservation of soil and  
2 water resources, or the support of soil and water conservation  
3 district commissioners. Notwithstanding section 8.33, moneys  
4 appropriated in that section that remain unencumbered or  
5 unobligated moneys at the close of the fiscal year shall revert  
6 at the close of the fiscal year beginning July 1, 2016.

7 c. The appropriation made to the department of agriculture  
8 and land stewardship for purposes of supporting special  
9 projects associated with a water quality initiative  
10 administered by its soil conservation division as provided  
11 in section 466B.42 as enacted by this Act. Notwithstanding  
12 section 8.33, moneys appropriated in that section that remain  
13 unencumbered or unobligated moneys at the close of the fiscal  
14 year shall revert at the close of the fiscal year beginning  
15 July 1, 2015.

16 DIVISION III

17 DEPARTMENT OF NATURAL RESOURCES

18 GENERAL APPROPRIATIONS FOR FY 2013-2014

19 Sec. 15. GENERAL FUND — DEPARTMENT.

20 1. There is appropriated from the general fund of the state  
21 to the department of natural resources for the fiscal year  
22 beginning July 1, 2013, and ending June 30, 2014, the following  
23 amount, or so much thereof as is necessary, to be used for the  
24 purposes designated:

25 For purposes of supporting the department, including its  
26 divisions, for administration, regulation, and programs; for  
27 salaries, support, maintenance, and miscellaneous purposes; and  
28 for not more than the following full-time equivalent positions:  
29 ..... \$ 12,516,700  
30 ..... FTEs 1,145.95

31 2. The department shall submit a report each quarter of the  
32 fiscal year to the legislative services agency, the department  
33 of management, the members of the joint appropriations  
34 subcommittee on agriculture and natural resources, and the  
35 chairpersons and ranking members of the senate and house

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1 committees on appropriations. The report shall describe in  
2 detail the expenditure of moneys appropriated in this section  
3 to support the department's administration, regulation, and  
4 programs.

5 Sec. 16. STATE FISH AND GAME PROTECTION FUND — REGULATION  
6 AND ADVANCEMENT OF OUTDOOR ACTIVITIES.

7 1. There is appropriated from the state fish and game  
8 protection fund to the department of natural resources for the  
9 fiscal year beginning July 1, 2013, and ending June 30, 2014,  
10 the following amount, or so much thereof as is necessary, to be  
11 used for the purposes designated:

12 For purposes of supporting the regulation or advancement of  
13 hunting, fishing, or trapping, or the protection, propagation,  
14 restoration, management, or harvest of fish or wildlife,  
15 including for administration, regulation, law enforcement, and  
16 programs; and for salaries, support, maintenance, equipment,  
17 and miscellaneous purposes:

18 ..... \$ 41,078,234

19 2. Notwithstanding section 455A.10, the department may use  
20 the unappropriated balance remaining in the state fish and game  
21 protection fund to provide for the funding of health and life  
22 insurance premium payments from unused sick leave balances of  
23 conservation peace officers employed in a protection occupation  
24 who retire, pursuant to section 97B.49B.

25 3. Notwithstanding section 455A.10, the department of  
26 natural resources may use the unappropriated balance remaining  
27 in the state fish and game protection fund for the fiscal  
28 year beginning July 1, 2013, and ending June 30, 2014, as is  
29 necessary to fund salary adjustments for departmental employees  
30 for whom the general assembly has made an operating budget  
31 appropriation for in subsection 1.

32 Sec. 17. GROUNDWATER PROTECTION FUND — WATER  
33 QUALITY. There is appropriated from the groundwater protection  
34 fund created in section 455E.11 to the department of natural  
35 resources for the fiscal year beginning July 1, 2013,

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1 and ending June 30, 2014, from those moneys which are not  
2 allocated pursuant to that section, the following amount, or  
3 so much thereof as is necessary, to be used for the purposes  
4 designated:

5 For purposes of supporting the department's protection  
6 of the state's groundwater, including for administration,  
7 regulation, and programs, and for salaries, support,  
8 maintenance, equipment, and miscellaneous purposes:  
9 ..... \$ 3,455,832

10 DESIGNATED APPROPRIATIONS

11 MISCELLANEOUS FUNDS

12 Sec. 18. SPECIAL SNOWMOBILE FUND — SNOWMOBILE  
13 PROGRAM. There is appropriated from the special snowmobile  
14 fund created under section 321G.7 to the department of natural  
15 resources for the fiscal year beginning July 1, 2013, and  
16 ending June 30, 2014, the following amount, or so much thereof  
17 as is necessary, to be used for the purpose designated:

18 For purposes of administering and enforcing the state  
19 snowmobile programs:  
20 ..... \$ 100,000

21 Sec. 19. UNASSIGNED REVENUE FUND — UNDERGROUND STORAGE  
22 TANK SECTION EXPENSES. There is appropriated from the  
23 unassigned revenue fund administered by the Iowa comprehensive  
24 underground storage tank fund board to the department of  
25 natural resources for the fiscal year beginning July 1, 2013,  
26 and ending June 30, 2014, the following amount, or so much  
27 thereof as is necessary, to be used for the purpose designated:

28 For purposes of paying for administration expenses of the  
29 department's underground storage tank section:  
30 ..... \$ 200,000

31 SPECIAL APPROPRIATIONS

32 GENERAL FUND

33 Sec. 20. FLOODPLAIN MANAGEMENT AND DAM SAFETY.

34 1. There is appropriated from the general fund of the state  
35 to the department of natural resources for the fiscal year

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1 beginning July 1, 2013, and ending June 30, 2014, the following  
2 amount, or so much thereof as is necessary, to be used for the  
3 purpose designated:

4 For purposes of supporting floodplain management and dam  
5 safety:

6 ..... \$ 2,000,000

7 2. Of the amount appropriated in subsection 1, up to  
8 \$400,000 may be used by the department to acquire or install  
9 stream gages for purposes of tracking and predicting flood  
10 events and for compiling necessary data to improve flood  
11 frequency analysis.

12 3. Notwithstanding section 8.33, moneys appropriated in  
13 subsection 1 that remain unencumbered or unobligated at the  
14 close of the fiscal year shall not revert but shall remain  
15 available for expenditure for the purposes designated until the  
16 close of the succeeding fiscal year.

17 Sec. 21. FORESTRY HEALTH MANAGEMENT.

18 1. There is appropriated from the general fund of the state  
19 to the department of natural resources for the fiscal year  
20 beginning July 1, 2013, and ending June 30, 2014, the following  
21 amount, or so much thereof as is necessary, to be used for the  
22 purposes designated:

23 For purposes of providing for forestry health management  
24 programs:

25 ..... \$ 200,000

26 2. Notwithstanding section 8.33, moneys appropriated for  
27 the fiscal year beginning July 1, 2013, in this section that  
28 remain unencumbered or unobligated at the close of the fiscal  
29 year shall not revert but shall remain available to be used  
30 for the purposes designated until the close of the succeeding  
31 fiscal year.

32 Sec. 22. STATE PARK MAINTENANCE AND OPERATIONS.

33 1. There is appropriated from the general fund of the state  
34 to the department of natural resources for the fiscal year  
35 beginning July 1, 2013, and ending June 30, 2014, the following

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1 amount, or so much thereof as is necessary, to be used for the  
2 purposes designated:

3 For purposes of supporting the regular maintenance and  
4 operations of state parks, including salaries, support,  
5 maintenance, and miscellaneous purposes:

6 ..... \$ 2,900,000

7 2. Notwithstanding section 8.33, moneys appropriated in  
8 subsection 1 that remain unencumbered or unobligated at the  
9 close of the fiscal year shall not revert but shall remain  
10 available to be used for the purposes designated until the  
11 close of the succeeding fiscal year.

12 DIVISION IV

13 IOWA STATE UNIVERSITY

14 SPECIAL GENERAL FUND APPROPRIATIONS FOR FY 2013-2014

15 Sec. 23. VETERINARY DIAGNOSTIC LABORATORY.

16 1. There is appropriated from the general fund of the state  
17 to Iowa state university of science and technology for the  
18 fiscal year beginning July 1, 2013, and ending June 30, 2014,  
19 the following amount, or so much thereof as is necessary, to be  
20 used for the purposes designated:

21 For purposes of supporting the college of veterinary  
22 medicine for the operation of the veterinary diagnostic  
23 laboratory and for not more than the following full-time  
24 equivalent positions:

25 ..... \$ 3,237,636

26 ..... FTEs 50.00

27 2. a. Iowa state university of science and technology  
28 shall not reduce the amount that it allocates to support the  
29 college of veterinary medicine from any other source due to the  
30 appropriation made in this section.

31 b. Paragraph "a" does not apply to a reduction made to  
32 support the college of veterinary medicine, if the same  
33 percentage of reduction imposed on the college of veterinary  
34 medicine is also imposed on all of Iowa state university's  
35 budget units.

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1     3. If by June 30, 2014, Iowa state university of science and  
2 technology fails to allocate the moneys appropriated in this  
3 section to the college of veterinary medicine in accordance  
4 with this section, the moneys appropriated in this section for  
5 that fiscal year shall revert to the general fund of the state.

6     Sec. 24. VETERINARY DIAGNOSTIC LABORATORY — FUTURE FISCAL  
7 YEAR. This section applies if appropriations made in this Act  
8 and all other Acts enacted by the Eighty-fifth General Assembly  
9 during the 2013 regular session and all extraordinary sessions,  
10 for the fiscal year beginning July 1, 2013, and ending June  
11 30, 2014, for purposes of supporting the operation of the  
12 veterinary diagnostic laboratory associated with the college  
13 of veterinary medicine at Iowa state university, total less  
14 than \$4,000,000. It is the intent of the general assembly  
15 that the amount of any deficit will be appropriated by the  
16 general assembly during its 2014 regular session for purposes  
17 of supporting the operation of the veterinary diagnostic  
18 laboratory for the fiscal year beginning July 1, 2014, and  
19 ending June 30, 2015.

20                                   DIVISION V

21                                   ENVIRONMENT FIRST FUND

22                                   GENERAL APPROPRIATIONS FOR FY 2013-2014

23     Sec. 25. DEPARTMENT OF AGRICULTURE AND LAND  
24 STEWARDSHIP. There is appropriated from the environment first  
25 fund created in section 8.57A to the department of agriculture  
26 and land stewardship for the fiscal year beginning July 1,  
27 2013, and ending June 30, 2014, the following amounts, or so  
28 much thereof as is necessary, to be used for the purposes  
29 designated:

30     1. CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP)  
31     a. For the conservation reserve enhancement program to  
32 restore and construct wetlands for the purposes of intercepting  
33 tile line runoff, reducing nutrient loss, improving water  
34 quality, and enhancing agricultural production practices:  
35 ..... \$ 1,000,000

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- 1     b. Not more than 10 percent of the moneys appropriated  
2 in paragraph "a" may be used for costs of administration and  
3 implementation of soil and water conservation practices.
- 4     c. Notwithstanding any other provision in law, the  
5 department may provide state resources from this appropriation,  
6 in combination with other appropriate environment first  
7 fund appropriations, for cost sharing to match United States  
8 department of agriculture, natural resources conservation  
9 service, wetlands reserve enhancement program (WREP) funding  
10 available to Iowa.
- 11    2. WATERSHED PROTECTION
- 12    a. For continuation of a program that provides  
13 multiobjective resource protections for flood control, water  
14 quality, erosion control, and natural resource conservation:  
15 ..... \$ 1,000,000
- 16    b. Not more than 10 percent of the moneys appropriated  
17 in paragraph "a" may be used for costs of administration and  
18 implementation of soil and water conservation practices.
- 19    3. FARM MANAGEMENT DEMONSTRATION PROGRAM
- 20    a. For continuation of a statewide voluntary farm  
21 management demonstration program to demonstrate the  
22 effectiveness and adaptability of emerging practices in  
23 agronomy that protect water resources and provide other  
24 environmental benefits:  
25 ..... \$ 625,000
- 26    b. Not more than 10 percent of the moneys appropriated  
27 in paragraph "a" may be used for costs of administration and  
28 implementation of soil and water conservation practices.
- 29    c. Of the amount appropriated in paragraph "a", \$400,000  
30 shall be allocated to an organization representing soybean  
31 growers to provide for an agriculture and environment  
32 performance program in order to carry out the purposes of this  
33 subsection as specified in paragraph "a".
- 34    4. CONSERVATION RESERVE PROGRAM (CRP)
- 35    a. To encourage and assist farmers in enrolling in and the

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1 implementation of the federal conservation reserve program and  
2 to work with them to enhance their revegetation efforts to  
3 improve water quality and habitat:

4 ..... \$ 1,000,000

5 b. Not more than 10 percent of the moneys appropriated  
6 in paragraph "a" may be used for costs of administration and  
7 implementation of soil and water conservation practices.

8 5. SOIL AND WATER CONSERVATION

9 a. For use by the department in providing for soil and  
10 water conservation administration, the conservation of soil and  
11 water resources, or the support of soil and water conservation  
12 district commissioners:

13 ..... \$ 6,650,000

14 b. Not more than 5 percent of the moneys appropriated in  
15 paragraph "a" may be allocated for cost sharing to address  
16 complaints filed under section 161A.47.

17 c. Of the moneys appropriated in paragraph "a", 5 percent  
18 shall be allocated for financial incentives to establish  
19 practices to protect watersheds above publicly owned lakes of  
20 the state from soil erosion and sediment as provided in section  
21 161A.73.

22 d. Not more than 30 percent of a soil and water conservation  
23 district's allocation of moneys as financial incentives may be  
24 provided for the purpose of establishing management practices  
25 to control soil erosion on land that is row cropped, including  
26 but not limited to no-till planting, ridge-till planting,  
27 contouring, and contour strip-cropping as provided in section  
28 161A.73.

29 e. The state soil conservation committee established by  
30 section 161A.4 may allocate moneys appropriated in paragraph  
31 "a" to conduct research and demonstration projects to promote  
32 conservation tillage and nonpoint source pollution control  
33 practices.

34 f. The allocation of moneys as financial incentives as  
35 provided in section 161A.73 may be used in combination with

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1 moneys allocated by the department of natural resources.

2 g. Not more than 15 percent of the moneys appropriated  
3 in paragraph "a" may be used for costs of administration and  
4 implementation of soil and water conservation practices.

5 h. In lieu of moneys appropriated in section 466A.5, not  
6 more than \$50,000 of the moneys appropriated in paragraph  
7 "a" shall be used by the soil conservation division of the  
8 department of agriculture and land stewardship to provide  
9 administrative support to the watershed improvement review  
10 board established in section 466A.3.

11 6. AGRICULTURAL DRAINAGE WELL WATER QUALITY ASSISTANCE FUND

12 For deposit in the agricultural drainage well water quality  
13 assistance fund created in section 460.303 to be used for  
14 purposes of supporting the agricultural drainage well water  
15 quality assistance program as provided in section 460.304:  
16 ..... \$ 550,000

17 7. LOESS HILLS DEVELOPMENT AND CONSERVATION FUND

18 a. For deposit in the loess hills development and  
19 conservation fund created in section 161D.2:

20 ..... \$ 475,000

21 b. (1) Of the amount appropriated in paragraph "a",  
22 \$356,250 shall be allocated to the fund's hungry canyons  
23 account.

24 (2) Not more than 10 percent of the moneys allocated to the  
25 hungry canyons account as provided in subparagraph (1) may be  
26 used for administrative costs.

27 c. (1) Of the amount appropriated in paragraph "a",  
28 \$118,750 shall be allocated to the fund's loess hills alliance  
29 account.

30 (2) Not more than 10 percent of the moneys allocated to the  
31 loess hills alliance account as provided in subparagraph (1)  
32 may be used for administrative costs.

33 Sec. 26. DEPARTMENT OF NATURAL RESOURCES. There is  
34 appropriated from the environment first fund created in section  
35 8.57A to the department of natural resources for the fiscal



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1 year beginning July 1, 2013, and ending June 30, 2014, the  
2 following amounts, or so much thereof as is necessary, to be  
3 used for the purposes designated:

4 1. KEEPERS OF THE LAND  
5 For statewide coordination of volunteer efforts under the  
6 water quality and keepers of the land programs:  
7 ..... \$ 100,000

8 2. STATE PARKS MAINTENANCE AND OPERATIONS  
9 For regular maintenance of state parks and staff time  
10 associated with these activities:  
11 ..... \$ 3,710,000

12 3. GEOGRAPHIC INFORMATION SYSTEM (GIS)  
13 To provide local watershed managers with geographic  
14 information system data for their use in developing,  
15 monitoring, and displaying results of their watershed work:  
16 ..... \$ 195,000

17 4. WATER QUALITY MONITORING  
18 For continuing the establishment and operation of water  
19 quality monitoring stations:  
20 ..... \$ 2,955,000

21 5. PUBLIC WATER SUPPLY SYSTEM ACCOUNT  
22 For deposit in the public water supply system account of the  
23 water quality protection fund created in section 455B.183A:  
24 ..... \$ 500,000

25 6. REGULATION OF ANIMAL FEEDING OPERATIONS  
26 For the regulation of animal feeding operations, including  
27 as provided for in chapters 459 through 459B:  
28 ..... \$ 1,920,000

29 7. AMBIENT AIR QUALITY  
30 For the abatement, control, and prevention of ambient  
31 air pollution in this state, including measures as necessary  
32 to assure attainment and maintenance of ambient air quality  
33 standards from particulate matter:  
34 ..... \$ 425,000

35 8. WATER QUANTITY REGULATION



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1 For regulating water quantity from surface and subsurface  
2 sources by providing for the allocation and use of water  
3 resources, the protection and management of water resources,  
4 and the preclusion of conflicts among users of water resources,  
5 including as provided in chapter 455B, division III, part 4:  
6 ..... \$ 495,000

7 9. GEOLOGICAL AND WATER SURVEY

8 For continuing the operations of the department's geological  
9 and water survey including but not limited to providing  
10 analysis, data collection, investigative programs, and  
11 information for water supply development and protection:  
12 ..... \$ 200,000

13 10. KEEP IOWA BEAUTIFUL INITIATIVE

14 For purposes of supporting a keep Iowa beautiful initiative  
15 in order to assist communities in developing and implementing  
16 beautification and community development plans:  
17 ..... \$ 200,000

18 Sec. 27. REVERSION. Notwithstanding section 8.33,  
19 moneys appropriated for the fiscal year beginning July 1,  
20 2013, in this division of this Act that remain unencumbered  
21 or unobligated at the close of the fiscal year shall not  
22 revert but shall remain available to be used for the purposes  
23 designated until the close of the succeeding fiscal year or  
24 until the project for which the appropriation was made is  
25 completed, whichever is earlier.

26 DIVISION VI

27 ENVIRONMENT FIRST FUND

28 SPECIAL APPROPRIATION FOR FY 2013-2014

29 Sec. 28. REAP — IN LIEU OF GENERAL FUND APPROPRIATION.

30 Notwithstanding the amount of the standing appropriation from  
31 the general fund of the state to the Iowa resources enhancement  
32 and protection fund as provided in section 455A.18, there is  
33 appropriated from the environment first fund created in section  
34 8.57A to the Iowa resources enhancement and protection fund,  
35 in lieu of the appropriation made in section 455A.18, for the

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1 fiscal year beginning July 1, 2013, and ending June 30, 2014,  
2 the following amount, to be allocated as provided in section  
3 455A.19:

4 ..... \$ 20,000,000

5 DIVISION VII

6 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

7 GENERAL APPROPRIATION FOR FY 2014-2015

8 Sec. 29. GENERAL FUND — DEPARTMENT.

9 1. There is appropriated from the general fund of the state  
10 to the department of agriculture and land stewardship for the  
11 fiscal year beginning July 1, 2014, and ending June 30, 2015,  
12 the following amount, or so much thereof as is necessary, to be  
13 used for the purposes designated:

14 For purposes of supporting the department, including its  
15 divisions, for administration, regulation, and programs; for  
16 salaries, support, maintenance, and miscellaneous purposes; and  
17 for not more than the following full-time equivalent positions:

18 ..... \$ 8,540,664

19 ..... FTEs 372.00

20 2. Of the amount appropriated in subsection 1, the following  
21 amount is transferred to Iowa state university of science and  
22 technology, to be used for the university's midwest grape and  
23 wine industry institute:

24 ..... \$ 119,000

25 3. The department shall submit a report each quarter of the  
26 fiscal year to the legislative services agency, the department  
27 of management, the members of the joint appropriations  
28 subcommittee on agriculture and natural resources, and the  
29 chairpersons and ranking members of the senate and house  
30 committees on appropriations. The report shall describe in  
31 detail the expenditure of moneys appropriated in this section  
32 to support the department's administration, regulation, and  
33 programs.

34 DESIGNATED APPROPRIATIONS

35 MISCELLANEOUS FUNDS

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1     Sec. 30. UNCLAIMED PARI-MUTUEL WAGERING WINNINGS —  
2 HORSE AND DOG RACING. There is appropriated from the moneys  
3 available under section 99D.13 to the department of agriculture  
4 and land stewardship for the fiscal year beginning July 1,  
5 2014, and ending June 30, 2015, the following amount, or so  
6 much thereof as is necessary, to be used for the purposes  
7 designated:

8     For purposes of supporting the department's administration  
9 and enforcement of horse and dog racing law pursuant to section  
10 99D.22, including for salaries, support, maintenance, and  
11 miscellaneous purposes:

12 ..... \$     152,758

13     Sec. 31. RENEWABLE FUEL INFRASTRUCTURE FUND — MOTOR FUEL  
14 INSPECTION.

15     1. There is appropriated from the renewable fuel  
16 infrastructure fund created in section 159A.16 to the  
17 department of agriculture and land stewardship for the fiscal  
18 year beginning July 1, 2014, and ending June 30, 2015, the  
19 following amount, or so much thereof as is necessary, to be  
20 used for the purposes designated:

21     For purposes of the inspection of motor fuel, including  
22 salaries, support, maintenance, and miscellaneous purposes:

23 ..... \$     250,000

24     2. The department shall establish and administer programs  
25 for the auditing of motor fuel including biofuel processing  
26 and production plants, for screening and testing motor fuel,  
27 including renewable fuel, and for the inspection of motor fuel  
28 sold by dealers including retail dealers who sell and dispense  
29 motor fuel from motor fuel pumps.

30                     SPECIAL APPROPRIATIONS

31                     GENERAL FUND

32     Sec. 32. DAIRY REGULATION. There is appropriated from the  
33 general fund of the state to the department of agriculture  
34 and land stewardship for the fiscal year beginning July 1,  
35 2014, and ending June 30, 2015, the following amount, or so

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1 much thereof as is necessary, to be used for the purposes  
2 designated:

3 1. For purposes of performing functions pursuant to section  
4 192.109, including conducting a survey of grade "A" milk and  
5 certifying the results to the secretary of agriculture:

6 ..... \$ 94,598

7 2. Notwithstanding section 8.33, moneys appropriated for  
8 the fiscal year beginning July 1, 2014, in this section that  
9 remain unencumbered or unobligated at the close of the fiscal  
10 year shall not revert but shall remain available to be used  
11 for the purposes designated until the close of the succeeding  
12 fiscal year.

13 Sec. 33. LOCAL FOOD AND FARM PROGRAM. There is appropriated  
14 from the general fund of the state to the department of  
15 agriculture and land stewardship for the fiscal year beginning  
16 July 1, 2014, and ending June 30, 2015, the following amount,  
17 or so much thereof as is necessary, to be used for the purposes  
18 designated:

19 1. For purposes of supporting the local food and farm  
20 program pursuant to chapter 267A:

21 ..... \$ 37,500

22 2. The department shall enter into a cost-sharing agreement  
23 with Iowa state university to support the local food and farm  
24 program coordinator position as part of the university's  
25 cooperative extension service in agriculture and home economics  
26 pursuant to chapter 267A.

27 3. Notwithstanding section 8.33, moneys appropriated in  
28 this section that remain unencumbered or unobligated at the  
29 close of the fiscal year shall not revert but shall remain  
30 available to be used for the purposes designated until the  
31 close of the succeeding fiscal year.

32 Sec. 34. AGRICULTURAL EDUCATION. There is appropriated  
33 from the general fund of the state to the department of  
34 agriculture and land stewardship for the fiscal year beginning  
35 July 1, 2014, and ending June 30, 2015, the following amount,

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1 or so much thereof as is necessary, to be used for the purposes  
2 designated:

3 1. For purposes of allocating moneys to an Iowa association  
4 affiliated with a national organization which promotes  
5 agricultural education providing for future farmers:

6 ..... \$ 12,500

7 2. Notwithstanding section 8.33, moneys appropriated in  
8 this section that remain unencumbered or unobligated at the  
9 close of the fiscal year shall not revert but shall remain  
10 available to be used for the purposes designated until the  
11 close of the succeeding fiscal year.

12 Sec. 35. FARMERS WITH DISABILITIES PROGRAM.

13 1. There is appropriated from the general fund of the state  
14 to the department of agriculture and land stewardship for the  
15 fiscal year beginning July 1, 2014, and ending June 30, 2015,  
16 the following amount, or so much thereof as is necessary, to be  
17 used for the purposes designated:

18 For purposes of supporting a program for farmers with  
19 disabilities:

20 ..... \$ 65,000

21 2. The moneys appropriated in subsection 1 shall be used for  
22 the public purpose of providing a grant to a national nonprofit  
23 organization with over 80 years of experience in assisting  
24 children and adults with disabilities and special needs.

25 a. The moneys shall be used to support a nationally  
26 recognized program that began in 1986 and has been replicated  
27 in at least 30 other states, but which is not available through  
28 any other entity in this state, and that provides assistance  
29 to farmers with disabilities in all 99 counties to allow the  
30 farmers to remain in their own homes and be gainfully engaged  
31 in farming through provision of agricultural worksite and home  
32 modification consultations, peer support services, services  
33 to families, information and referral, and equipment loan  
34 services.

35 b. Notwithstanding section 8.33, moneys appropriated in

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1 this section that remain unencumbered or unobligated at the  
2 close of the fiscal year shall not revert but shall remain  
3 available for expenditure for the purposes designated until the  
4 close of the succeeding fiscal year.

5 DIVISION VIII

6 GENERAL FUND

7 DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

8 SOIL AND WATER CONSERVATION AND WATER QUALITY

9 Sec. 36. SOIL AND WATER CONSERVATION —

10 ADMINISTRATION. There is appropriated from the general fund of  
11 the state to the department of agriculture and land stewardship  
12 for the fiscal year beginning July 1, 2014, and ending June 30,  
13 2015, the following amount, or so much thereof as is necessary,  
14 to be used for the purposes designated:

15 For use by the department for costs of administration and  
16 implementation of soil and water conservation practices:

17 ..... \$ 1,275,000

18 Sec. 37. WATER QUALITY INITIATIVE. There is appropriated  
19 from the general fund of the state to the department of  
20 agriculture and land stewardship for the fiscal year beginning  
21 July 1, 2014, and ending June 30, 2015, the following amount,  
22 or so much thereof as is necessary, to be used for the purposes  
23 designated:

24 1. For purposes of supporting a water quality initiative  
25 administered by the soil conservation division as provided in  
26 section 466B.42 as enacted by this Act, including salaries,  
27 support, maintenance, miscellaneous purposes, and for not more  
28 than the following full-time equivalent positions:

29 ..... \$ 4,400,000

30 ..... FTEs 1.00

31 2. The moneys appropriated in subsection 1 shall be used by  
32 the division to support water quality conservation practices  
33 in all of the following:

34 a. Subwatersheds as designated by the division that are part  
35 of high-priority watersheds identified by the water resources

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1 coordinating council established pursuant to section 466B.3.

2     b. Watersheds, including regional watersheds, as designated  
3 by the division and high-priority watersheds identified by the  
4 water resources coordinating council established pursuant to  
5 section 466B.3.

6     3. In supporting water quality conservation practices in  
7 subwatersheds and watersheds as provided in subsection 2, the  
8 division shall do all of the following:

9     a. Utilize water quality practices as described in the  
10 latest revision of the document entitled "Iowa Nutrient  
11 Reduction Strategy" initially presented in November 2012 by the  
12 department of agriculture and land stewardship, the department  
13 of natural resources, and Iowa state university of science and  
14 technology.

15     b. Participate with persons who hold a legal interest in  
16 agricultural land used in farming. To every extent practical,  
17 the division shall provide for collaborative participation by  
18 such persons who hold a legal interest in agricultural land  
19 located within the same subwatershed.

20     c. Finance the establishment of water quality practices on  
21 a cost-share basis as determined by the division. However, the  
22 state's share of the amount shall not exceed 50 percent of the  
23 estimated cost of establishing the practice as determined by  
24 the division or 50 percent of the actual cost of establishing  
25 the practice, whichever is less.

26     4. Notwithstanding any other provision in law to the  
27 contrary, the department may use moneys appropriated in  
28 subsection 1 in combination with other moneys appropriated  
29 to the department from the environment first fund created in  
30 section 8.57A for cost sharing to match the United States  
31 department of agriculture, natural resources conservation  
32 service, wetland reserve enhancement program.

33     Sec. 38. NONREVERSION. Notwithstanding section 8.33,  
34 moneys appropriated in this division that remain unencumbered  
35 or unobligated at the close of the fiscal year shall not revert

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1 but shall remain available for expenditure for the purposes  
2 designated until the close of the fiscal year beginning July  
3 1, 2015.

4 DIVISION IX

5 DEPARTMENT OF NATURAL RESOURCES

6 GENERAL APPROPRIATIONS FOR FY 2014-2015

7 Sec. 39. GENERAL FUND — DEPARTMENT.

8 1. There is appropriated from the general fund of the state  
9 to the department of natural resources for the fiscal year  
10 beginning July 1, 2014, and ending June 30, 2015, the following  
11 amount, or so much thereof as is necessary, to be used for the  
12 purposes designated:

13 For purposes of supporting the department, including its  
14 divisions, for administration, regulation, and programs; for  
15 salaries, support, maintenance, and miscellaneous purposes; and  
16 for not more than the following full-time equivalent positions:  
17 ..... \$ 6,258,350  
18 ..... FTEs 1,145.95

19 2. The department shall submit a report each quarter of the  
20 fiscal year to the legislative services agency, the department  
21 of management, the members of the joint appropriations  
22 subcommittee on agriculture and natural resources, and the  
23 chairpersons and ranking members of the senate and house  
24 committees on appropriations. The report shall describe in  
25 detail the expenditure of moneys appropriated under this  
26 section to support the department's administration, regulation,  
27 and programs.

28 Sec. 40. STATE FISH AND GAME PROTECTION FUND — REGULATION  
29 AND ADVANCEMENT OF OUTDOOR ACTIVITIES.

30 1. There is appropriated from the state fish and game  
31 protection fund to the department of natural resources for the  
32 fiscal year beginning July 1, 2014, and ending June 30, 2015,  
33 the following amount, or so much thereof as is necessary, to be  
34 used for the purposes designated:

35 For purposes of supporting the regulation or advancement of

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1 hunting, fishing, or trapping, or the protection, propagation,  
2 restoration, management, or harvest of fish or wildlife,  
3 including for administration, regulation, law enforcement, and  
4 programs; and for salaries, support, maintenance, equipment,  
5 and miscellaneous purposes:

6 ..... \$ 20,539,117

7     2. Notwithstanding section 455A.10, the department may use  
8 the unappropriated balance remaining in the state fish and game  
9 protection fund to provide for the funding of health and life  
10 insurance premium payments from unused sick leave balances of  
11 conservation peace officers employed in a protection occupation  
12 who retire, pursuant to section 97B.49B.

13     3. Notwithstanding section 455A.10, the department of  
14 natural resources may use the unappropriated balance remaining  
15 in the state fish and game protection fund for the fiscal  
16 year beginning July 1, 2014, and ending June 30, 2015, as is  
17 necessary to fund salary adjustments for departmental employees  
18 for whom the general assembly has made an operating budget  
19 appropriation for in subsection 1.

20     Sec. 41. GROUNDWATER PROTECTION FUND — WATER  
21 QUALITY. There is appropriated from the groundwater protection  
22 fund created in section 455E.11 to the department of natural  
23 resources for the fiscal year beginning July 1, 2014,  
24 and ending June 30, 2015, from those moneys which are not  
25 allocated pursuant to that section, the following amount, or  
26 so much thereof as is necessary, to be used for the purposes  
27 designated:

28     For purposes of supporting the department's protection  
29 of the state's groundwater, including for administration,  
30 regulation, and programs, and for salaries, support,  
31 maintenance, equipment, and miscellaneous purposes:  
32 ..... \$ 1,727,916

33                     DESIGNATED APPROPRIATIONS

34                     MISCELLANEOUS FUNDS

35     Sec. 42. SPECIAL SNOWMOBILE FUND — SNOWMOBILE

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1 PROGRAM. There is appropriated from the special snowmobile  
2 fund created under section 321G.7 to the department of natural  
3 resources for the fiscal year beginning July 1, 2014, and  
4 ending June 30, 2015, the following amount, or so much thereof  
5 as is necessary, to be used for the purpose designated:

6 For purposes of administering and enforcing the state  
7 snowmobile programs:

8 ..... \$ 50,000

9 Sec. 43. UNASSIGNED REVENUE FUND — UNDERGROUND STORAGE

10 TANK SECTION EXPENSES. There is appropriated from the  
11 unassigned revenue fund administered by the Iowa comprehensive  
12 underground storage tank fund board to the department of  
13 natural resources for the fiscal year beginning July 1, 2014,  
14 and ending June 30, 2015, the following amount, or so much  
15 thereof as is necessary, to be used for the purpose designated:

16 For purposes of paying for administration expenses of the  
17 department's underground storage tank section:

18 ..... \$ 100,000

19 SPECIAL APPROPRIATIONS

20 GENERAL FUND

21 Sec. 44. FLOODPLAIN MANAGEMENT AND DAM SAFETY.

22 1. There is appropriated from the general fund of the state  
23 to the department of natural resources for the fiscal year  
24 beginning July 1, 2014, and ending June 30, 2015, the following  
25 amount, or so much thereof as is necessary, to be used for the  
26 purpose designated:

27 For purposes of supporting floodplain management and dam  
28 safety:

29 ..... \$ 1,000,000

30 2. Of the amount appropriated in subsection 1, up to  
31 \$200,000 may be used by the department to acquire or install  
32 stream gages for purposes of tracking and predicting flood  
33 events and for compiling necessary data to improve flood  
34 frequency analysis.

35 3. Notwithstanding section 8.33, moneys appropriated in

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1 subsection 1 that remain unencumbered or unobligated at the  
2 close of the fiscal year shall not revert but shall remain  
3 available for expenditure for the purposes designated until the  
4 close of the succeeding fiscal year.

5 Sec. 45. FORESTRY HEALTH MANAGEMENT.

6 1. There is appropriated from the general fund of the state  
7 to the department of natural resources for the fiscal year  
8 beginning July 1, 2014, and ending June 30, 2015, the following  
9 amount, or so much thereof as is necessary, to be used for the  
10 purposes designated:

11 For purposes of providing for forestry health management  
12 programs:

13 ..... \$ 100,000

14 2. Notwithstanding section 8.33, moneys appropriated for  
15 the fiscal year beginning July 1, 2014, in this section that  
16 remain unencumbered or unobligated at the close of the fiscal  
17 year shall not revert but shall remain available to be used  
18 for the purposes designated until the close of the succeeding  
19 fiscal year.

20 Sec. 46. STATE PARK MAINTENANCE AND OPERATIONS.

21 1. There is appropriated from the general fund of the state  
22 to the department of natural resources for the fiscal year  
23 beginning July 1, 2014, and ending June 30, 2015, the following  
24 amount, or so much thereof as is necessary, to be used for the  
25 purposes designated:

26 For purposes of supporting the regular maintenance and  
27 operations of state parks, including salaries, support,  
28 maintenance, and miscellaneous purposes:

29 ..... \$ 1,450,000

30 2. Notwithstanding section 8.33, moneys appropriated in  
31 subsection 1 that remain unencumbered or unobligated at the  
32 close of the fiscal year shall not revert but shall remain  
33 available to be used for the purposes designated until the  
34 close of the succeeding fiscal year.

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1 IOWA STATE UNIVERSITY  
2 SPECIAL GENERAL FUND APPROPRIATIONS FOR FY 2014-2015  
3 Sec. 47. VETERINARY DIAGNOSTIC LABORATORY.  
4 1. There is appropriated from the general fund of the state  
5 to Iowa state university of science and technology for the  
6 fiscal year beginning July 1, 2014, and ending June 30, 2015,  
7 the following amount, or so much thereof as is necessary, to be  
8 used for the purposes designated:  
9 For purposes of supporting the college of veterinary  
10 medicine for the operation of the veterinary diagnostic  
11 laboratory and for not more than the following full-time  
12 equivalent positions:  
13 ..... \$ 1,618,818  
14 ..... FTEs 50.00  
15 2. a. Iowa state university of science and technology  
16 shall not reduce the amount that it allocates to support the  
17 college of veterinary medicine from any other source due to the  
18 appropriation made in this section.  
19 b. Paragraph "a" does not apply to a reduction made to  
20 support the college of veterinary medicine, if the same  
21 percentage of reduction imposed on the college of veterinary  
22 medicine is also imposed on all of Iowa state university's  
23 budget units.  
24 3. If by June 30, 2015, Iowa state university of science and  
25 technology fails to allocate the moneys appropriated in this  
26 section to the college of veterinary medicine in accordance  
27 with this section, the moneys appropriated in this section for  
28 that fiscal year shall revert to the general fund of the state.  
29 Sec. 48. VETERINARY DIAGNOSTIC LABORATORY — FUTURE FISCAL  
30 YEAR. This section applies if appropriations made in this Act  
31 and all other Acts enacted by the Eighty-fifth General Assembly  
32 during the 2014 regular session and all extraordinary sessions,  
33 for the fiscal year beginning July 1, 2014, and ending June  
34 30, 2015, for purposes of supporting the operation of the  
35 veterinary diagnostic laboratory associated with the college

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1 of veterinary medicine at Iowa state university, total less  
2 than \$4,000,000. It is the intent of the general assembly  
3 that the amount of any deficit will be appropriated by the  
4 general assembly during its 2015 regular session for purposes  
5 of supporting the operation of the veterinary diagnostic  
6 laboratory for the fiscal year beginning July 1, 2015, and  
7 ending June 30, 2016.

8

DIVISION XI

9

ENVIRONMENT FIRST FUND

10

GENERAL APPROPRIATIONS FOR FY 2014-2015

11

Sec. 49. DEPARTMENT OF AGRICULTURE AND LAND

12

STEWARDSHIP. There is appropriated from the environment first  
13 fund created in section 8.57A to the department of agriculture  
14 and land stewardship for the fiscal year beginning July 1,  
15 2014, and ending June 30, 2015, the following amounts, or so  
16 much thereof as is necessary, to be used for the purposes  
17 designated:

18

1. CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP)

19

a. For the conservation reserve enhancement program to  
20 restore and construct wetlands for the purposes of intercepting  
21 tile line runoff, reducing nutrient loss, improving water  
22 quality, and enhancing agricultural production practices:  
23 ..... \$ 500,000

24

b. Not more than 10 percent of the moneys appropriated  
25 in paragraph "a" may be used for costs of administration and  
26 implementation of soil and water conservation practices.

27

c. Notwithstanding any other provision in law, the  
28 department may provide state resources from this appropriation,  
29 in combination with other appropriate environment first  
30 fund appropriations, for cost sharing to match United States  
31 department of agriculture, natural resources conservation  
32 service, wetlands reserve enhancement program (WREP) funding  
33 available to Iowa.

34

2. WATERSHED PROTECTION

35

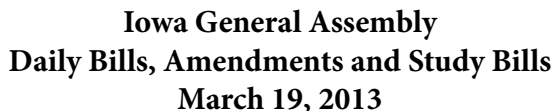
a. For continuation of a program that provides

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1 multiobjective resource protections for flood control, water  
2 quality, erosion control, and natural resource conservation:  
3 ..... \$ 500,000  
4 b. Not more than 10 percent of the moneys appropriated  
5 in paragraph "a" may be used for costs of administration and  
6 implementation of soil and water conservation practices.

7 3. FARM MANAGEMENT DEMONSTRATION PROGRAM

8 a. For continuation of a statewide voluntary farm  
9 management demonstration program to demonstrate the  
10 effectiveness and adaptability of emerging practices in  
11 agronomy that protect water resources and provide other  
12 environmental benefits:  
13 ..... \$ 312,500  
14 b. Not more than 10 percent of the moneys appropriated  
15 in paragraph "a" may be used for costs of administration and  
16 implementation of soil and water conservation practices.

17 c. Of the amount appropriated in paragraph "a", \$200,000  
18 shall be allocated to an organization representing soybean  
19 growers to provide for an agriculture and environment  
20 performance program in order to carry out the purposes of this  
21 subsection as specified in paragraph "a".

22 4. CONSERVATION RESERVE PROGRAM (CRP)

23 a. To encourage and assist farmers in enrolling in and the  
24 implementation of the federal conservation reserve program and  
25 to work with them to enhance their revegetation efforts to  
26 improve water quality and habitat:  
27 ..... \$ 500,000  
28 b. Not more than 10 percent of the moneys appropriated  
29 in paragraph "a" may be used for costs of administration and  
30 implementation of soil and water conservation practices.

31 5. SOIL AND WATER CONSERVATION

32 a. For use by the department in providing for soil and  
33 water conservation administration, the conservation of soil and  
34 water resources, or the support of soil and water conservation  
35 district commissioners:



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1 ..... \$ 3,325,000  
2     b. Not more than 5 percent of the moneys appropriated in  
3 paragraph "a" may be allocated for cost sharing to address  
4 complaints filed under section 161A.47.  
5     c. Of the moneys appropriated in paragraph "a", 5 percent  
6 shall be allocated for financial incentives to establish  
7 practices to protect watersheds above publicly owned lakes of  
8 the state from soil erosion and sediment as provided in section  
9 161A.73.  
10    d. Not more than 30 percent of a soil and water conservation  
11 district's allocation of moneys as financial incentives may be  
12 provided for the purpose of establishing management practices  
13 to control soil erosion on land that is row cropped, including  
14 but not limited to no-till planting, ridge-till planting,  
15 contouring, and contour strip-cropping as provided in section  
16 161A.73.  
17    e. The state soil conservation committee established by  
18 section 161A.4 may allocate moneys appropriated in paragraph  
19 "a" to conduct research and demonstration projects to promote  
20 conservation tillage and nonpoint source pollution control  
21 practices.  
22    f. The allocation of moneys as financial incentives as  
23 provided in section 161A.73 may be used in combination with  
24 moneys allocated by the department of natural resources.  
25    g. Not more than 15 percent of the moneys appropriated  
26 in paragraph "a" may be used for costs of administration and  
27 implementation of soil and water conservation practices.  
28    h. In lieu of moneys appropriated in section 466A.5, not  
29 more than \$50,000 of the moneys appropriated in paragraph  
30 "a" shall be used by the soil conservation division of the  
31 department of agriculture and land stewardship to provide  
32 administrative support to the watershed improvement review  
33 board established in section 466A.3.  
34    6. AGRICULTURAL DRAINAGE WELL WATER QUALITY ASSISTANCE FUND  
35    For deposit in the agricultural drainage well water quality



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1 assistance fund created in section 460.303 to be used for  
2 purposes of supporting the agricultural drainage well water  
3 quality assistance program as provided in section 460.304:  
4 ..... \$ 275,000  
5 7. LOESS HILLS DEVELOPMENT AND CONSERVATION FUND  
6 a. For deposit in the loess hills development and  
7 conservation fund created in section 161D.2:  
8 ..... \$ 237,500  
9 b. (1) Of the amount appropriated in paragraph "a",  
10 \$178,125 shall be allocated to the fund's hungry canyons  
11 account.  
12 (2) Not more than 10 percent of the moneys allocated to the  
13 hungry canyons account as provided in subparagraph (1) may be  
14 used for administrative costs.  
15 c. (1) Of the amount appropriated in paragraph "a", \$59,375  
16 shall be allocated to the fund's loess hills alliance account.  
17 (2) Not more than 10 percent of the moneys allocated to the  
18 loess hills alliance account as provided in subparagraph (1)  
19 may be used for administrative costs.  
20 Sec. 50. DEPARTMENT OF NATURAL RESOURCES. There is  
21 appropriated from the environment first fund created in section  
22 8.57A to the department of natural resources for the fiscal  
23 year beginning July 1, 2014, and ending June 30, 2015, the  
24 following amounts, or so much thereof as is necessary, to be  
25 used for the purposes designated:  
26 1. KEEPERS OF THE LAND  
27 For statewide coordination of volunteer efforts under the  
28 water quality and keepers of the land programs:  
29 ..... \$ 50,000  
30 2. STATE PARKS MAINTENANCE AND OPERATIONS  
31 For regular maintenance of state parks and staff time  
32 associated with these activities:  
33 ..... \$ 1,855,000  
34 3. GEOGRAPHIC INFORMATION SYSTEM (GIS)  
35 To provide local watershed managers with geographic

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1 information system data for their use in developing,  
2 monitoring, and displaying results of their watershed work:  
3 ..... \$ 97,500  
4 4. WATER QUALITY MONITORING  
5 For continuing the establishment and operation of water  
6 quality monitoring stations:  
7 ..... \$ 1,477,500  
8 5. PUBLIC WATER SUPPLY SYSTEM ACCOUNT  
9 For deposit in the public water supply system account of the  
10 water quality protection fund created in section 455B.183A:  
11 ..... \$ 250,000  
12 6. REGULATION OF ANIMAL FEEDING OPERATIONS  
13 For the regulation of animal feeding operations, including  
14 as provided for in chapters 459 through 459B:  
15 ..... \$ 960,000  
16 7. AMBIENT AIR QUALITY  
17 For the abatement, control, and prevention of ambient  
18 air pollution in this state, including measures as necessary  
19 to assure attainment and maintenance of ambient air quality  
20 standards from particulate matter:  
21 ..... \$ 212,500  
22 8. WATER QUANTITY REGULATION  
23 For regulating water quantity from surface and subsurface  
24 sources by providing for the allocation and use of water  
25 resources, the protection and management of water resources,  
26 and the preclusion of conflicts among users of water resources,  
27 including as provided in chapter 455B, division III, part 4:  
28 ..... \$ 247,500  
29 9. GEOLOGICAL AND WATER SURVEY  
30 For continuing the operations of the department's geological  
31 and water survey including but not limited to providing  
32 analysis, data collection, investigative programs, and  
33 information for water supply development and protection:  
34 ..... \$ 100,000  
35 10. KEEP IOWA BEAUTIFUL INITIATIVE



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1 For purposes of supporting a keep Iowa beautiful initiative  
2 in order to assist communities in developing and implementing  
3 beautification and community development plans:

4 ..... \$ 100,000

5 Sec. 51. REVERSION. Notwithstanding section 8.33,  
6 moneys appropriated for the fiscal year beginning July 1,  
7 2014, in this division of this Act that remain unencumbered  
8 or unobligated at the close of the fiscal year shall not  
9 revert but shall remain available to be used for the purposes  
10 designated until the close of the succeeding fiscal year or  
11 until the project for which the appropriation was made is  
12 completed, whichever is earlier.

13 DIVISION XII

14 ENVIRONMENT FIRST FUND

15 SPECIAL APPROPRIATION FOR FY 2014-2015

16 Sec. 52. REAP — IN LIEU OF GENERAL FUND APPROPRIATION.  
17 Notwithstanding the amount of the standing appropriation from  
18 the general fund of the state to the Iowa resources enhancement  
19 and protection fund as provided in section 455A.18, there is  
20 appropriated from the environment first fund created in section  
21 8.57A to the Iowa resources enhancement and protection fund,  
22 in lieu of the appropriation made in section 455A.18, for the  
23 fiscal year beginning July 1, 2014, and ending June 30, 2015,  
24 the following amount, to be allocated as provided in section  
25 455A.19:

26 ..... \$ 20,000,000

27 DIVISION XIII

28 RELATED STATUTORY CHANGES

29 Sec. 53. 2011 Iowa Acts, chapter 128, section 19, subsection  
30 1, as amended by 2012 Iowa Acts, chapter 1135, section 15, is  
31 amended to read as follows:

32 SEC. 19. USE OF MONEYS — RADIOS.

33 1. Notwithstanding 2010 Iowa Acts, chapter 1191, section 7,  
34 the department of natural resources may use the unappropriated  
35 balance remaining in the state fish and game protection fund

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1 for the fiscal year beginning July 1, 2010, and ending June  
2 30, 2011, to purchase mobile radios to meet federal and state  
3 requirements for homeland security and public safety. This  
4 section applies to those moneys in the fund that are not  
5 otherwise used, obligated, or encumbered for payment of health  
6 and life insurance premium payments for conservation peace  
7 officer retirements for that fiscal year. The department may  
8 use such moneys until June 30, ~~2013~~ 2014.

9 Sec. 54. Section 460.303, subsection 3, Code 2013, is  
10 amended to read as follows:

11 3. The Moneys in the fund shall be used are appropriated to  
12 support an agricultural drainage well water quality assistance  
13 program as provided in section 460.304. Moneys shall be used  
14 to provide financial incentives under the program, and to  
15 defray expenses by the division in administering the program.  
16 However, not more than one percent of the money in the fund is  
17 available to defray administrative expenses. The division may  
18 adopt rules pursuant to chapter 17A to administer this section.

19 Sec. 55. Section 466B.2, unnumbered paragraph 1, Code 2013,  
20 is amended to read as follows:

21 For the purposes of this ~~chapter~~ subchapter, unless the  
22 context otherwise requires:

23 Sec. 56. Section 466B.21, Code 2013, is amended by adding  
24 the following new subsection:

25 NEW SUBSECTION. 4. *"Watershed"* means the same as defined  
26 in section 466B.1.

27 Sec. 57. NEW SECTION. 466B.41 **Definitions.**

28 As used in this subchapter, unless the context otherwise  
29 requires:

30 1. *"Division"* means the division of soil conservation  
31 within the department of agriculture and land stewardship as  
32 established in section 161A.4.

33 2. *"Nutrient"* includes nitrogen and phosphorus.

34 3. *"Regional watershed"*, *"subwatershed"*, and *"watershed"* mean  
35 the same as defined in section 466B.1.

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1     Sec. 58. NEW SECTION.   **466B.42 Water quality initiative.**

2     The division shall establish a water quality initiative  
3 in order to assess and reduce nutrients in this state's  
4 watersheds, including subwatersheds, and regional watersheds.  
5 The division shall establish and administer projects to  
6 reduce nutrients in surface waters from nonpoint sources in  
7 a scientific, reasonable, and cost-effective manner. The  
8 division shall utilize a pragmatic, strategic, and coordinated  
9 approach with the goal of accomplishing reductions over time.

10    Sec. 59. CODE EDITOR. The Code editor shall codify sections  
11 468.41 and 468.42 as a new subchapter.

12                                   EXPLANATION

13    GENERAL. This bill relates to agriculture and natural  
14 resources by making appropriations for the 2013-2014 and  
15 2014-2015 fiscal years to support related entities, including  
16 the department of agriculture and land stewardship (DALS),  
17 the department of natural resources (DNR), and Iowa state  
18 university (ISU).

19    The bill primarily appropriates moneys to DALS and DNR.  
20 The appropriations are made to support those departments for  
21 administration, regulation, and support of programs. The bill  
22 requires the departments to submit quarterly reports to the  
23 general assembly and department of management regarding the  
24 expenditure of appropriated moneys. The bill also provides  
25 moneys to support specific programs or projects administered by  
26 those departments. The bill appropriates moneys from a number  
27 of sources, including the general fund of the state, the state  
28 fish and game protection fund, the groundwater protection fund,  
29 and the environment first fund. The bill is organized into  
30 divisions. The first half of the bill includes appropriations  
31 and provisions for the 2013-2014 fiscal year and the second  
32 half of the bill includes appropriations and provisions for the  
33 2014-2015 fiscal year.

34    DALS — GENERAL FUND APPROPRIATION. For DALS, moneys are  
35 appropriated from the general fund in order to support its

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1 administrative divisions, including consumer protection and  
2 industry services, soil conservation, and food safety and  
3 animal health. Moneys are transferred to Iowa state university  
4 to support its midwest grape and wine institute.

5 DALS — DESIGNATED NONGENERAL FUND APPROPRIATIONS. The  
6 bill appropriates moneys from a number of sources to support  
7 DALS in order to support designated purposes, including moneys  
8 derived from unclaimed winnings from horse and dog races, for  
9 administration and enforcement of racing regulations (Code  
10 section 99D.22); and moneys deposited into the renewal fuel  
11 infrastructure fund, for purposes of motor fuel inspection and  
12 auditing biofuel processing and production (Code chapter 214A).  
13 The department is required to transfer moneys to ISU to support  
14 the university's midwest grape and wine industry institute.

15 DALS — SPECIAL GENERAL FUND APPROPRIATIONS. The bill also  
16 makes special appropriations from the general fund to DALS in  
17 order to support specific purposes including milk inspection  
18 (Code section 192.109), the local food and farm program (Code  
19 chapter 267A), and agricultural education organization, and  
20 assistance to farmers with disabilities.

21 DALS — GENERAL FUND SOIL AND WATER CONSERVATION AND WATER  
22 QUALITY. The bill appropriates moneys from the general  
23 fund of the state to support the conservation of soil and  
24 water resources, and soil and water conservation district  
25 commissioners. The bill also appropriates moneys to the  
26 department in order to support a water quality initiative,  
27 including to support a number of projects. It also  
28 appropriates moneys for deposit into the watershed improvement  
29 fund.

30 DNR — GENERAL FUND AND OTHER MAJOR FUNDS APPROPRIATIONS.  
31 The bill makes appropriations from a number of funds to DNR in  
32 order to support its administrative divisions involving natural  
33 resources and environmental protection from the general fund  
34 of the state, the state fish and game protection fund, and the  
35 groundwater protection fund.

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1 DNR — DESIGNATED NONGENERAL FUND APPROPRIATIONS. The  
2 bill appropriates moneys to DNR from a number of sources to  
3 support designated purposes, including moneys deposited in the  
4 special snowmobile fund (Code section 321G.7) to provide for  
5 administering and enforcing the state snowmobile programs; and  
6 moneys deposited in the unassigned revenue fund for purposes  
7 of paying for administration of the department's underground  
8 storage tank section.

9 DNR — SPECIAL GENERAL FUND APPROPRIATIONS. The bill also  
10 makes special appropriations from the general fund to DNR  
11 in order to support specific purposes including floodplain  
12 management and dam safety, forestry health management programs,  
13 and state park management.

14 ISU — SPECIAL GENERAL FUND APPROPRIATIONS. The bill  
15 appropriates moneys from the general fund to ISU to support the  
16 operation of its veterinary diagnostic laboratory.

17 DALS AND DNR — GENERAL ENVIRONMENT FIRST FUND  
18 APPROPRIATIONS. The bill appropriates moneys from the  
19 environment first fund (Code section 8.57A) to support a  
20 number of programs administered by DALS and DNR. For DALS,  
21 the moneys are appropriated to support programs involving soil  
22 conservation, watershed protection, and nutrient management,  
23 and agricultural drainage well closure; and for DNR, moneys  
24 are appropriated to support programs involving water quality,  
25 state parks, public water supplies, air quality, water supply  
26 information, and a keep Iowa beautiful initiative.

27 IOWA RESOURCES ENHANCEMENT AND PROTECTION FUND — SPECIAL  
28 ENVIRONMENT FIRST FUND APPROPRIATION. The bill also  
29 appropriates moneys from the environment first fund to the Iowa  
30 resources enhancement and protection fund in lieu of the \$20  
31 million appropriated by Code section 455A.18 from the general  
32 fund of the state.

33 RELATED STATUTORY CHANGES. The bill amends a provision  
34 creating the agricultural drainage well water quality  
35 assistance fund in Code section 460.303 to expressly provide

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1 its moneys are appropriated to support the water quality  
2 assistance program. The current provision does not use the  
3 term "appropriate". The bill codifies the water quality  
4 initiative in Code chapter 466B, and requires the division  
5 of soil conservation to assess and reduce nutrients in this  
6 state's waters, including the implementation of efforts to  
7 reduce nutrients in surface waters from nonpoint sources in  
8 a scientific, reasonable, and cost-effective manner. The  
9 provisions are to be part of a new Code subchapter.



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**Senate Study Bill 1246 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
SENATE APPROPRIATIONS  
SUBCOMMITTEE ON ECONOMIC  
DEVELOPMENT)

**A BILL FOR**

1 An Act relating to appropriations to the department of cultural  
2 affairs, the economic development authority, the board  
3 of regents and certain board of regents institutions,  
4 the department of workforce development, the Iowa finance  
5 authority, and the public employment relations board,  
6 providing for other properly related matters, and including  
7 retroactive applicability provisions.  
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. DEPARTMENT OF CULTURAL AFFAIRS. There is  
2 appropriated from the general fund of the state to the  
3 department of cultural affairs for the fiscal year beginning  
4 July 1, 2013, and ending June 30, 2014, the following amounts,  
5 or so much thereof as is necessary, to be used for the purposes  
6 designated:

7 1. ADMINISTRATION

8 For salaries, support, maintenance, miscellaneous purposes,  
9 and for not more than the following full-time equivalent  
10 positions for the department:

11 .....	\$	171,813
12 .....	FTEs	74.50

13 The department of cultural affairs shall coordinate  
14 activities with the tourism office of the economic development  
15 authority to promote attendance at the state historical  
16 building and at this state's historic sites.

17 Full-time equivalent positions authorized under this  
18 subsection shall be funded, in full or in part, using moneys  
19 appropriated under this subsection and subsections 3 through 7.

20 2. COMMUNITY CULTURAL GRANTS

21 For planning and programming for the community cultural  
22 grants program established under section 303.3:

23 .....	\$	172,090
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24 3. HISTORICAL DIVISION

25 For the support of the historical division:

26 .....	\$	3,322,847
----------	----	-----------

27 4. HISTORIC SITES

28 For the administration and support of historic sites:

29 .....	\$	426,398
----------	----	---------

30 5. ARTS DIVISION

31 For the support of the arts division:

32 .....	\$	1,333,764
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33 Of the moneys appropriated in this subsection, the  
34 department shall allocate \$400,000 for purposes of the film  
35 office.



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1     6. IOWA GREAT PLACES  
2     For the Iowa great places program established under section  
3 303.3C:  
4 ..... \$     150,000  
5     7. ARCHIVE IOWA GOVERNORS' RECORDS  
6     For archiving the records of Iowa governors:  
7 ..... \$     65,933  
8     8. RECORDS CENTER RENT  
9     For payment of rent for the state records center:  
10 ..... \$     227,243  
11    9. BATTLE FLAGS  
12    For continuation of the project recommended by the Iowa  
13 battle flag advisory committee to stabilize the condition of  
14 the battle flag collection:  
15 ..... \$     94,000  
16    10. Notwithstanding section 8.33, moneys appropriated in  
17 this section that remain unencumbered or unobligated at the  
18 close of the fiscal year shall not revert but shall remain  
19 available for expenditure for the purposes designated in this  
20 section until the close of the succeeding fiscal year.  
21    Sec. 2. GOALS AND ACCOUNTABILITY — ECONOMIC DEVELOPMENT.  
22    1. For the fiscal year beginning July 1, 2013, the goals  
23 for the economic development authority shall be to expand and  
24 stimulate the state economy, increase the wealth of Iowans, and  
25 increase the population of the state.  
26    2. To achieve the goals in subsection 1, the economic  
27 development authority shall do all of the following for the  
28 fiscal year beginning July 1, 2013:  
29    a. Concentrate its efforts on programs and activities that  
30 result in commercially viable products and services.  
31    b. Adopt practices and services consistent with free  
32 market, private sector philosophies.  
33    c. Ensure economic growth and development throughout the  
34 state.  
35    d. Work with businesses and communities to continually

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1 improve the economic development climate along with the  
2 economic well-being and quality of life for Iowans.

3 e. Coordinate with other state agencies to ensure that they  
4 are attentive to the needs of an entrepreneurial culture.

5 f. Establish a strong and aggressive marketing image to  
6 showcase Iowa's workforce, existing industry, and potential.

7 A priority shall be placed on recruiting new businesses,  
8 business expansion, and retaining existing Iowa businesses.

9 Emphasis shall be placed on entrepreneurial development through  
10 helping entrepreneurs secure capital, and developing networks  
11 and a business climate conducive to entrepreneurs and small  
12 businesses.

13 g. Encourage the development of communities and quality of  
14 life to foster economic growth.

15 h. Prepare communities for future growth and development  
16 through development, expansion, and modernization of  
17 infrastructure.

18 i. Develop public-private partnerships with Iowa businesses  
19 in the tourism industry, Iowa tour groups, Iowa tourism  
20 organizations, and political subdivisions in this state to  
21 assist in the development of advertising efforts.

22 j. Develop, to the fullest extent possible, cooperative  
23 efforts for advertising with contributions from other sources.

24 Sec. 3. ECONOMIC DEVELOPMENT AUTHORITY.

25 1. APPROPRIATION

26 a. There is appropriated from the general fund of the state  
27 to the economic development authority for the fiscal year  
28 beginning July 1, 2013, and ending June 30, 2014, the following  
29 amounts, or so much thereof as is necessary, to be used for the  
30 purposes designated in this subsection, and for not more than  
31 the following full-time equivalent positions:

32 ..... \$ 16,093,118

33 ..... FTEs 149.00

34 b. (1) For salaries, support, miscellaneous purposes,  
35 programs, marketing, and the maintenance of an administration

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1 division, a business development division, a community  
2 development division, a small business development division,  
3 and other divisions the authority may organize.

4 (2) The full-time equivalent positions authorized under  
5 this section shall be funded, in whole or in part, by the  
6 moneys appropriated under subsection 1 or by other moneys  
7 received by the authority, including certain federal moneys.

8 (3) For business development operations and programs,  
9 international trade, export assistance, workforce recruitment,  
10 and the partner state program.

11 (4) For transfer to the strategic investment fund created  
12 in section 15.313.

13 (5) For community economic development programs, tourism  
14 operations, community assistance, plans for Iowa green corps  
15 and summer youth programs, the mainstreet and rural mainstreet  
16 programs, the school-to-career program, the community  
17 development block grant, and housing and shelter-related  
18 programs.

19 (6) For achieving the goals and accountability, and  
20 fulfilling the requirements and duties required under this Act.

21 c. Notwithstanding section 8.33, moneys appropriated in  
22 this subsection that remain unencumbered or unobligated at the  
23 close of the fiscal year shall not revert but shall remain  
24 available for expenditure for the purposes designated in this  
25 subsection until the close of the succeeding fiscal year.

26 2. FINANCIAL ASSISTANCE RESTRICTIONS

27 a. A business creating jobs through moneys appropriated in  
28 subsections 1, 6, and 7 shall be subject to contract provisions  
29 requiring new and retained jobs to be filled by individuals who  
30 are citizens of the United States who reside within the United  
31 States or any person authorized to work in the United States  
32 pursuant to federal law, including legal resident aliens in the  
33 United States.

34 b. A vendor who receives moneys appropriated in subsections  
35 1, 6, and 7 shall adhere to such contract provisions and



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1 provide periodic assurances as the state shall require that the  
2 jobs are filled solely by citizens of the United States who  
3 reside within the United States or any person authorized to  
4 work in the United States pursuant to federal law, including  
5 legal resident aliens in the United States.

6 c. A business that receives financial assistance from the  
7 authority from moneys appropriated in subsections 1, 6, and 7  
8 shall only employ individuals legally authorized to work in  
9 this state. In addition to all other applicable penalties  
10 provided by current law, all or a portion of the assistance  
11 received by a business which is found to knowingly employ  
12 individuals not legally authorized to work in this state is  
13 subject to recapture by the authority.

14 3. USES OF APPROPRIATIONS

15 a. From the moneys appropriated in subsections 1, 6, and 7,  
16 the authority may provide financial assistance in the form of a  
17 grant to a community economic development entity for conducting  
18 a local workforce recruitment effort designed to recruit former  
19 citizens of the state and former students at colleges and  
20 universities in the state to meet the needs of local employers.

21 b. From the moneys appropriated in subsections 1, 6, and 7,  
22 the authority may provide financial assistance to early stage  
23 industry companies being established by women entrepreneurs.

24 c. From the moneys appropriated in subsections 1, 6, and 7,  
25 the authority may provide financial assistance in the form of  
26 grants, loans, or forgivable loans for advanced research and  
27 commercialization projects involving value-added agriculture,  
28 advanced technology, or biotechnology.

29 d. The authority shall not use any moneys appropriated in  
30 subsections 1, 6, and 7 for purposes of providing financial  
31 assistance for the Iowa green streets pilot project or for any  
32 other program or project that involves the installation of  
33 geothermal systems for melting snow and ice from streets or  
34 sidewalks.

35 4. WORLD FOOD PRIZE

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1     There is appropriated from the general fund of the state  
2     to the economic development authority for the fiscal year  
3     beginning July 1, 2013, and ending June 30, 2014, the following  
4     amount for the world food prize and in lieu of the standing  
5     appropriation in section 15.368, subsection 1:

6     ..... \$ 1,000,000

7     5. IOWA COMMISSION ON VOLUNTEER SERVICE

8     There is appropriated from the general fund of the state  
9     to the economic development authority for the fiscal year  
10    beginning July 1, 2013, and ending June 30, 2014, the following  
11    amount for allocation to the Iowa commission on volunteer  
12    service for purposes of the Iowa state commission grant  
13    program, the Iowa's promise and Iowa mentoring partnership  
14    programs, and for not more than the following full-time  
15    equivalent positions:

16    ..... \$ 178,133

17    ..... FTEs 7.00

18    Of the moneys appropriated in this subsection, the  
19    authority shall allocate \$75,000 for purposes of the Iowa state  
20    commission grant program and \$103,133 for purposes of the  
21    Iowa's promise and Iowa mentoring partnership programs.

22    Notwithstanding section 8.33, moneys appropriated in this  
23    subsection that remain unencumbered or unobligated at the close  
24    of the fiscal year shall not revert but shall remain available  
25    for expenditure for the purposes designated until the close of  
26    the succeeding fiscal year.

27    6. BUSINESS DEVELOPMENT FINANCIAL ASSISTANCE

28    There is appropriated from the general fund of the state  
29    to the economic development authority for the fiscal year  
30    beginning July 1, 2013, and ending June 30, 2014, the following  
31    amounts to be used for the purposes of the high quality jobs  
32    program as described in chapter 15, part 13:

33    ..... \$ 18,000,000

34    Notwithstanding section 8.33, moneys appropriated in this  
35    subsection that remain unencumbered or unobligated at the close



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1 of the fiscal year shall not revert but shall remain available  
2 for expenditure for the purposes designated until the close of  
3 the succeeding fiscal year.

4 7. EMPLOYEE STOCK OWNERSHIP PLANS FORMATION ASSISTANCE

5 a. There is appropriated from the general fund of the  
6 state to the economic development authority for the fiscal  
7 year beginning July 1, 2013, and ending June 30, 2014, the  
8 following amounts to be used for the providing of financial  
9 assistance, including establishment of a loan program, and  
10 technical assistance, marketing, and education to businesses  
11 interested in establishing employee stock ownership plans and  
12 for procuring the services of an independent contractor with  
13 expertise in the formation of the employee stock ownership  
14 plans:

15 ..... \$ 1,000,000

16 Notwithstanding section 8.33, moneys appropriated in this  
17 subsection that remain unencumbered or unobligated at the close  
18 of the fiscal year shall not revert but shall remain available  
19 for expenditure for the purposes designated until the close of  
20 the succeeding fiscal year. Notwithstanding section 12C.7,  
21 subsection 2, earnings or interest on moneys appropriated  
22 pursuant to this section shall be retained by the economic  
23 development authority and used for the purposes designated  
24 until expended.

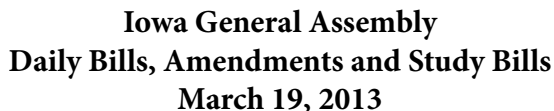
25 b. On or before January 15, 2015, the authority shall submit  
26 a report to the general assembly and the governor's office  
27 describing the expenditure of funds pursuant to this section  
28 and evaluating the success of the assistance and promotion  
29 program.

30 8. COUNCILS OF GOVERNMENTS — ASSISTANCE

31 There is appropriated from the general fund of the state  
32 to the economic development authority for the fiscal year  
33 beginning July 1, 2013, and ending June 30, 2014, the following  
34 amounts to be used for the purposes of providing financial  
35 assistance to Iowa's councils of governments:

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1 . . . . . \$ 175,000

8       Sec. 5.   INSURANCE ECONOMIC DEVELOPMENT.   From the moneys  
9 collected by the division of insurance in excess of the  
10 anticipated gross revenues under section 505.7, subsection  
11 3, during the fiscal year beginning July 1, 2013, \$100,000  
12 shall be transferred to the economic development authority for  
13 insurance economic development and international insurance  
14 economic development.

21 ..... \$ 6,000,000

31	.....	FTEs	4.00
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1 workforce development fund established pursuant to section  
2 15.343.

3 Sec. 9. IOWA STATE UNIVERSITY.

4 1. There is appropriated from the general fund of the state  
5 to Iowa state university of science and technology for the  
6 fiscal year beginning July 1, 2013, and ending June 30, 2014,  
7 the following amount, or so much thereof as is necessary, to  
8 be used for small business development centers, the science  
9 and technology research park, and the institute for physical  
10 research and technology, and for not more than the following  
11 full-time equivalent positions:

12 .....	\$ 2,424,302
13 .....	FTEs 56.63

14 2. Of the moneys appropriated in subsection 1, Iowa state  
15 university of science and technology shall allocate at least  
16 \$735,728 for purposes of funding small business development  
17 centers. Iowa state university of science and technology may  
18 allocate moneys appropriated in subsection 1 to the various  
19 small business development centers in any manner necessary to  
20 achieve the purposes of this subsection.

21 3. Iowa state university of science and technology shall do  
22 all of the following:

23 a. Direct expenditures for research toward projects that  
24 will provide economic stimulus for Iowa.

25 b. Provide emphasis to providing services to Iowa-based  
26 companies.

27 4. It is the intent of the general assembly that the  
28 industrial incentive program focus on Iowa industrial  
29 sectors and seek contributions and in-kind donations from  
30 businesses, industrial foundations, and trade associations,  
31 and that moneys for the institute for physical research and  
32 technology industrial incentive program shall be allocated  
33 only for projects which are matched by private sector moneys  
34 for directed contract research or for nondirected research.  
35 The match required of small businesses as defined in section

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1 15.102, subsection 10, for directed contract research or for  
2 nondirected research shall be \$1 for each \$3 of state funds.  
3 The match required for other businesses for directed contract  
4 research or for nondirected research shall be \$1 for each \$1 of  
5 state funds. The match required of industrial foundations or  
6 trade associations shall be \$1 for each \$1 of state funds.

7 Iowa state university of science and technology shall  
8 report annually to the joint appropriations subcommittee on  
9 economic development and the legislative services agency the  
10 total amount of private contributions, the proportion of  
11 contributions from small businesses and other businesses, and  
12 the proportion for directed contract research and nondirected  
13 research of benefit to Iowa businesses and industrial sectors.

14 5. There is appropriated from the general fund of the state  
15 to Iowa state university for the fiscal year beginning July 1,  
16 2013, and ending June 30, 2014, the following amount, or so  
17 much thereof as is necessary, for the bioeconomy institute for  
18 the purposes of implementing the bioeconomy initiative, and for  
19 not more than the following full-time equivalent positions:

20 .....	\$	3,750,000
21 .....	FTEs	9.65

22 6. Notwithstanding section 8.33, moneys appropriated in  
23 this section that remain unencumbered or unobligated at the  
24 close of the fiscal year shall not revert but shall remain  
25 available for expenditure for the purposes designated until the  
26 close of the succeeding fiscal year.

27 Sec. 10. UNIVERSITY OF IOWA.

28 1. There is appropriated from the general fund of the state  
29 to the state university of Iowa for the fiscal year beginning  
30 July 1, 2013, and ending June 30, 2014, the following amount,  
31 or so much thereof as is necessary, to be used for the state  
32 university of Iowa research park and for the advanced drug  
33 development program at the Oakdale research park, including  
34 salaries, support, maintenance, equipment, miscellaneous  
35 purposes, and for not more than the following full-time

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1 equivalent positions:

2 ..... \$ 209,279  
3 ..... FTEs 6.00

4 2. The state university of Iowa shall do all of the  
5 following:

6 a. Direct expenditures for research toward projects that  
7 will provide economic stimulus for Iowa.

8 b. Provide emphasis to providing services to Iowa-based  
9 companies.

10 3. There is appropriated from the general fund of the  
11 state to the state university of Iowa for the fiscal year  
12 beginning July 1, 2013, and ending June 30, 2014, the following  
13 amount, or so much thereof as is necessary, for the purpose  
14 of implementing the entrepreneurship and economic growth  
15 initiative, and for not more than the following full-time  
16 equivalent positions:

17 ..... \$ 2,000,000  
18 ..... FTEs 5.00

19 4. Notwithstanding section 8.33, moneys appropriated in  
20 this section that remain unencumbered or unobligated at the  
21 close of the fiscal year shall not revert but shall remain  
22 available for expenditure for the purposes designated until the  
23 close of the succeeding fiscal year.

24 Sec. 11. UNIVERSITY OF NORTHERN IOWA.

25 1. There is appropriated from the general fund of the  
26 state to the university of northern Iowa for the fiscal year  
27 beginning July 1, 2013, and ending June 30, 2014, the following  
28 amount, or so much thereof as is necessary, to be used for the  
29 metal casting institute, the MyEntreNet internet application,  
30 and the institute of decision making, including salaries,  
31 support, maintenance, miscellaneous purposes, and for not more  
32 than the following full-time equivalent positions:

33 ..... \$ 1,074,716  
34 ..... FTEs 6.75

35 2. Of the moneys appropriated pursuant to subsection

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1 1, the university of northern Iowa shall allocate at least  
2 \$617,639 for purposes of support of entrepreneurs through the  
3 university's regional business center and economic gardening  
4 program.

5 3. The university of northern Iowa shall do all of the  
6 following:

7 a. Direct expenditures for research toward projects that  
8 will provide economic stimulus for Iowa.

9 b. Provide emphasis to providing services to Iowa-based  
10 companies.

11 4. Notwithstanding section 8.33, moneys appropriated in  
12 this section that remain unencumbered or unobligated at the  
13 close of the fiscal year shall not revert but shall remain  
14 available for expenditure for the purposes designated until the  
15 close of the succeeding fiscal year.

16 Sec. 12. REGENTS INNOVATION FUND.

17 1. There is appropriated from the general fund of the state  
18 to the institutions of higher learning under the control of the  
19 state board of regents for the fiscal year beginning July 1,  
20 2013, and ending June 30, 2014, the following amount to be used  
21 for the purposes provided in this section:

22 ..... \$ 5,000,000

23 Of the moneys appropriated pursuant to this section, 35  
24 percent shall be allocated for Iowa state university, 35  
25 percent shall be allocated for the university of Iowa, and 30  
26 percent shall be allocated for the university of northern Iowa.

27 2. The institutions shall use moneys appropriated in  
28 this section for capacity building infrastructure in areas  
29 related to technology commercialization, marketing and  
30 business development efforts in areas related to technology  
31 commercialization, entrepreneurship, and business growth,  
32 and infrastructure projects and programs needed to assist in  
33 implementation of activities under chapter 262B.

34 3. The institutions shall provide a one-to-one match  
35 of additional moneys for the activities funded with moneys

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1 appropriated under this section.

2 4. The state board of regents shall annually submit a  
3 report by December 1 of each year to the governor, the general  
4 assembly, and the legislative services agency regarding  
5 the activities, projects, and programs funded with moneys  
6 allocated under this section. The report shall be provided  
7 in an electronic format and shall include a list of metrics  
8 and criteria mutually agreed to in advance by the board of  
9 regents and the economic development authority. The metrics  
10 and criteria shall allow the governor's office and the general  
11 assembly to quantify and evaluate the progress of the board of  
12 regents institutions with regard to their activities, projects,  
13 and programs in the areas of technology commercialization,  
14 entrepreneurship, regional development, and market research.

15 Sec. 13. BOARD OF REGENTS REPORT. The state board of  
16 regents shall submit a report on the progress of regents  
17 institutions in meeting the strategic plan for technology  
18 transfer and economic development to the secretary of the  
19 senate, the chief clerk of the house of representatives, and  
20 the legislative services agency by January 15, 2014.

21 Sec. 14. IOWA FINANCE AUTHORITY.

22 1. There is appropriated from the general fund of the state  
23 to the Iowa finance authority for the fiscal year beginning  
24 July 1, 2013, and ending June 30, 2014, the following amount,  
25 or so much thereof as is necessary, to be used to provide  
26 reimbursement for rent expenses to eligible persons under the  
27 rent subsidy program:

28 ..... \$ 658,000

29 2. Participation in the rent subsidy program shall be  
30 limited to only those persons who meet the requirements for the  
31 nursing facility level of care for home and community-based  
32 services waiver services as in effect on July 1, 2013, and  
33 to those individuals who are eligible for the federal money  
34 follows the person grant program under the medical assistance  
35 program. Of the moneys appropriated in this section, not more

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1 than \$35,000 may be used for administrative costs.

2     Sec. 15. IOWA FINANCE AUTHORITY AUDIT. The auditor of state  
3 is requested to review the audit of the Iowa finance authority  
4 performed by the auditor hired by the authority.

5     Sec. 16. PUBLIC EMPLOYMENT RELATIONS BOARD.

6     1. There is appropriated from the general fund of the state  
7 to the public employment relations board for the fiscal year  
8 beginning July 1, 2013, and ending June 30, 2014, the following  
9 amount, or so much thereof as is necessary, for the purposes  
10 designated:

11     For salaries, support, maintenance, miscellaneous purposes,  
12 and for not more than the following full-time equivalent  
13 positions:

14 ..... \$ 1,341,926

15 ..... FTEs 10.00

16     2. Of the moneys appropriated in this section, the board  
17 shall allocate \$15,000 for maintaining a website that allows  
18 searchable access to a database of collective bargaining  
19 information.

20     Sec. 17. DEPARTMENT OF WORKFORCE DEVELOPMENT. There  
21 is appropriated from the general fund of the state to the  
22 department of workforce development for the fiscal year  
23 beginning July 1, 2013, and ending June 30, 2014, the following  
24 amounts, or so much thereof as is necessary, for the purposes  
25 designated:

26     1. DIVISION OF LABOR SERVICES

27     a. For the division of labor services, including salaries,  
28 support, maintenance, miscellaneous purposes, and for not more  
29 than the following full-time equivalent positions:

30 ..... \$ 3,602,000

31 ..... FTEs 66.00

32     b. From the contractor registration fees, the division of  
33 labor services shall reimburse the department of inspections  
34 and appeals for all costs associated with hearings under  
35 chapter 91C, relating to contractor registration.

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1 c. Of the moneys appropriated under this subsection, the  
2 department shall allocate \$106,560 for the purpose of employing  
3 additional investigators to investigate wage enforcement.

4 2. DIVISION OF WORKERS' COMPENSATION

5 a. For the division of workers' compensation, including  
6 salaries, support, maintenance, miscellaneous purposes, and for  
7 not more than the following full-time equivalent positions:

8 ..... \$ 3,259,044

9 ..... FTEs 30.00

10 b. The division of workers' compensation shall charge a  
11 \$100 filing fee for workers' compensation cases. The filing  
12 fee shall be paid by the petitioner of a claim. However, the  
13 fee can be taxed as a cost and paid by the losing party, except  
14 in cases where it would impose an undue hardship or be unjust  
15 under the circumstances. The moneys generated by the filing  
16 fee allowed under this subsection are appropriated to the  
17 department of workforce development to be used for purposes of  
18 administering the division of workers' compensation.

19 3. WORKFORCE DEVELOPMENT OPERATIONS

20 a. For the operation of field offices, the workforce  
21 development board, and for not more than the following  
22 full-time equivalent positions:

23 ..... \$ 9,179,413

24 ..... FTEs 130.00

25 b. Of the moneys appropriated in paragraph "a" of this  
26 subsection, the department shall allocate at least \$1,130,602  
27 for the operation of satellite field offices in Decorah,  
28 Fort Madison, Iowa City, and Webster City, and of the moneys  
29 appropriated in paragraph "a" of this subsection, the  
30 department shall allocate \$150,000 to the state library for the  
31 purpose of licensing an online resource which prepares persons  
32 to succeed in the workplace through programs which improve job  
33 skills and vocational test-taking abilities.

34 4. FIELD OFFICE OPENING

35 For the purpose of reopening satellite field offices in

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1 Ames, Atlantic, Denison, Newton, and Clinton and for not more  
2 than the following full-time equivalent positions:

3 ..... \$ 2,760,000  
4 ..... FTEs 27.00

5 5. OFFENDER REENTRY PROGRAM

6 a. For the development and administration of an offender  
7 reentry program to provide offenders with employment skills,  
8 and for not more than the following full-time equivalent  
9 positions:

10 ..... \$ 284,464  
11 ..... FTEs 4.00

12 b. The department of workforce development shall partner  
13 with the department of corrections to provide staff within the  
14 correctional facilities to improve offenders' abilities to find  
15 and retain productive employment.

16 6. NONREVERSION

17 Notwithstanding section 8.33, moneys appropriated in this  
18 section that remain unencumbered or unobligated at the close of  
19 the fiscal year shall not revert but shall remain available for  
20 expenditure for the purposes designated until the close of the  
21 succeeding fiscal year.

22 Sec. 18. GENERAL FUND — EMPLOYEE MISCLASSIFICATION  
23 PROGRAM. There is appropriated from the general fund of the  
24 state to the department of workforce development for the fiscal  
25 year beginning July 1, 2013, and ending June 30, 2014, the  
26 following amount, or so much thereof as is necessary, to be  
27 used for the purposes designated:

28 For enhancing efforts to investigate employers that  
29 misclassify workers and for not more than the following  
30 full-time equivalent positions:

31 ..... \$ 451,458  
32 ..... FTEs 8.10

33 Sec. 19. GENERAL FUND — SKILLS TRAINING PROGRAM. There  
34 is appropriated from the general fund of the state to the  
35 department of workforce development for the fiscal year

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1 beginning July 1, 2013, and ending June 30, 2014, the following  
2 amount, or so much thereof as is necessary, to be used for the  
3 purposes designated:

4 To develop a long-term sustained program to train unemployed  
5 and underemployed central Iowans with skills necessary to  
6 advance to higher-paying jobs with full benefits:

7 ..... \$ 100,000

8 Sec. 20. SPECIAL EMPLOYMENT SECURITY CONTINGENCY FUND.

9 1. There is appropriated from the special employment  
10 security contingency fund to the department of workforce  
11 development for the fiscal year beginning July 1, 2013, and  
12 ending June 30, 2014, the following amount, or so much thereof  
13 as is necessary, to be used for field offices:

14 ..... \$ 1,766,084

15 2. Any remaining additional penalty and interest revenue  
16 collected by the department of workforce development is  
17 appropriated to the department for the fiscal year beginning  
18 July 1, 2013, and ending June 30, 2014, to accomplish the  
19 mission of the department.

20 Sec. 21. UNEMPLOYMENT COMPENSATION RESERVE FUND —

21 FIELD OFFICES. Notwithstanding section 96.9, subsection 8,  
22 paragraph "e", there is appropriated from interest earned on  
23 the unemployment compensation reserve fund to the department  
24 of workforce development for the fiscal year beginning July 1,  
25 2013, and ending June 30, 2014, the following amount or so much  
26 thereof as is necessary, for the purposes designated:

27 For the operation of field offices:

28 ..... \$ 494,000

29 Sec. 22. VIRTUAL ACCESS WORKFORCE DEVELOPMENT OFFICES. The  
30 department of workforce development shall require a unique  
31 identification login for all users of workforce development  
32 centers operated through electronic means. All costs  
33 associated with the development, implementation, and  
34 administration of the requirement in this section shall come  
35 out of the penalty and interest revenue from the special

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1 employment security contingency fund.

2     Sec. 23. UNEMPLOYMENT COMPENSATION PROGRAM. Notwithstanding  
3 section 96.9, subsection 4, paragraph "a", moneys credited to  
4 the state by the secretary of the treasury of the United  
5 States pursuant to section 903 of the Social Security  
6 Act are appropriated to the department of workforce  
7 development and shall be used by the department for the  
8 administration of the unemployment compensation program only.  
9 This appropriation shall not apply to any fiscal year  
10 beginning after December 31, 2013.

11     Sec. 24. Section 15.342A, Code 2013, is amended to read as  
12 follows:

13     **15.342A Workforce development fund account.**

14     A workforce development fund account is established in the  
15 office of the treasurer of state under the control of the  
16 authority. The account shall receive funds pursuant to section  
17 422.16A up to a maximum of ~~four~~ six million dollars per year.  
18 The account shall also receive funds pursuant to section 15.251  
19 with no dollar limitation.

20     Sec. 25. Section 15.343, subsection 2, paragraphs a and d,  
21 Code 2013, are amended by striking the paragraphs.

22     Sec. 26. Section 15.343, subsection 3, paragraph a, Code  
23 2013, is amended to read as follows:

24     a. ~~Three~~ Five million dollars shall be used for purposes  
25 provided in section 260F.6.

26     Sec. 27. Section 260C.18A, subsection 2, paragraph e, Code  
27 2013, is amended by striking the paragraph.

28     Sec. 28. Section 422.16A, Code 2013, is amended to read as  
29 follows:

30     **422.16A Job training withholding — certification and**  
31 **transfer.**

32     Upon the completion by a business of its repayment  
33 obligation for a training project funded under chapter  
34 260E, including a job training project funded under section  
35 15A.8 or repaid in whole or in part by the supplemental new

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1 jobs credit from withholding under section 15A.7 or section  
2 15E.197, the sponsoring community college shall report to  
3 the economic development authority the amount of withholding  
4 paid by the business to the community college during the  
5 final twelve months of withholding payments. The economic  
6 development authority shall notify the department of revenue  
7 of that amount. The department shall credit to the workforce  
8 development fund account established in section 15.342A  
9 twenty-five percent of that amount each quarter for a period  
10 of ten years. If the amount of withholding from the business  
11 or employer is insufficient, the department shall prorate the  
12 quarterly amount credited to the workforce development fund  
13 account. The maximum amount from all employers which shall be  
14 transferred to the workforce development fund account in any  
15 year is ~~four~~ six million dollars.

16 Sec. 29. 2011 Iowa Acts, chapter 130, section 1, subsection  
17 6, is amended to read as follows:

18 6. IOWA GREAT PLACES

19 a. For the Iowa great places program established under  
20 section 303.3C:

21 ..... \$ 150,000

22 b. Notwithstanding section 8.33, moneys appropriated in  
23 this subsection that remain unencumbered or unobligated at the  
24 close of the fiscal year shall not revert but shall remain  
25 available for expenditure for the purposes designated in this  
26 subsection for succeeding fiscal years.

27 Sec. 30. 2011 Iowa Acts, chapter 130, section 48, as amended  
28 by 2012 Iowa Acts, chapter 1136, section 1, subsection 6, is  
29 amended by adding the following new subsection:

30 NEW SUBSECTION. 10. Notwithstanding section 8.33, moneys  
31 appropriated in this section that remain unencumbered or  
32 unobligated at the close of the fiscal year shall not revert  
33 but shall remain available for expenditure for the purposes  
34 designated in this section for succeeding fiscal years.

35 Sec. 31. 2011 Iowa Acts, chapter 130, section 67, subsection

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1 2, is amended to read as follows:

2 2. Participation in the rent subsidy program shall be  
3 limited to only those persons who meet the requirements for the  
4 nursing facility level of care for home and community-based  
5 services waiver services as in effect on July 1, ~~2011~~ 2012, and  
6 to those individuals who are eligible for the federal money  
7 follows the person grant program under the medical assistance  
8 program. Of the moneys appropriated in this section, not more  
9 than \$35,000 may be used for administrative costs.

10 Sec. 32. RETROACTIVE APPLICABILITY. The sections of this  
11 Act amending 2011 Iowa Acts, chapter 130, sections 1 and 67,  
12 apply retroactively to July 1, 2011.

13 Sec. 33. RETROACTIVE APPLICABILITY. The section of this  
14 Act amending 2011 Iowa Acts, chapter 130, section 48, applies  
15 retroactively to July 1, 2012.

16 EXPLANATION

17 This bill makes appropriations and transfers from the  
18 general fund of the state and other funds to the department  
19 of cultural affairs, the economic development authority, the  
20 university of Iowa, the university of northern Iowa, Iowa state  
21 university, the department of workforce development, the Iowa  
22 finance authority, and the public employment relations board  
23 for the 2013-2014 fiscal year.

24 The bill provides that the goals for the economic  
25 development authority shall be to expand and stimulate the  
26 state economy, increase the wealth of Iowans, and increase the  
27 population of the state.

28 The bill transfers moneys collected by the division of  
29 insurance in excess of the anticipated gross revenues to the  
30 economic development authority for purposes of insurance  
31 economic development and international insurance economic  
32 development.

33 The bill appropriates moneys from the workforce development  
34 fund account to the workforce development fund.

35 The bill provides that moneys appropriated or transferred



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1 to or receipts credited to the workforce development fund  
2 are appropriated to the economic development authority for  
3 administration of workforce development activities.

4 The bill provides that all moneys in the job training fund on  
5 July 1, 2013, and any moneys appropriated or credited to the  
6 fund during the fiscal year beginning July 1, 2013, shall be  
7 transferred to the workforce development fund.

8 The bill requires the state board of regents to submit a  
9 report on the progress of regents institutions in meeting  
10 the strategic plan for technology transfer and economic  
11 development.

12 The bill requests the auditor of state to review the audit  
13 of the Iowa finance authority performed by the auditor hired  
14 by the authority.

15 The bill appropriates moneys to the department of workforce  
16 development for an employee misclassification program.

17 The bill appropriates moneys from the special employment  
18 security contingency fund to the department of workforce  
19 development for field offices.

20 The bill appropriates interest earned on the unemployment  
21 compensation reserve fund to the department of workforce  
22 development for the operation of field offices.

23 The bill requires the department of workforce development  
24 to require a unique identification login for all users of  
25 workforce development centers operated through electronic  
26 means.

27 The bill appropriates moneys from moneys credited to  
28 the state by the secretary of the treasury of the United  
29 States pursuant to the Social Security Act to the department  
30 of workforce development for the administration of the  
31 unemployment compensation program only.

32 The bill increases the maximum amount that can be  
33 transferred from \$4 million to \$6 million to the workforce  
34 development fund account established in Code section 15.342A  
35 for job training withholding moneys pursuant to Code section

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1 422.16A relating to certain job training programs. The bill  
2 makes changes relating to the purposes for which moneys in the  
3 workforce development fund can be used.

4 The bill provides that moneys appropriated to the department  
5 of cultural affairs for FY 2012-2013 that remain unencumbered  
6 or unobligated at the end of the fiscal year in which the  
7 funds were appropriated do not revert but remain available  
8 for expenditure for the succeeding fiscal year. Moneys  
9 appropriated to the department of cultural affairs for the  
10 great places program for FY 2011-2012 that remain unencumbered  
11 or unobligated at the end of that fiscal year also do not  
12 revert. The bill makes these sections retroactively applicable  
13 to the original date for each appropriation.

14 The bill provides that the rent subsidy program for FY  
15 2012-2013 is limited to persons who meet requirements for  
16 nursing facility level of care for home and community-based  
17 services waiver services as are in effect on July 1, 2012, and  
18 makes the Code section retroactively applicable to July 1,  
19 2011.